ANNUAL PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

General Information		
1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	**2. Award Identification Number** 11-43-B10516	**3. DUNS Number** 829024541

4. Recipient Organization

One Economy Corporation 1220 19th Street, NW, Suite 610, Washington, DC 20036

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2010	**6. Is this the last Annual Report of the Award Period?** ◯ **Yes** ◉ **No**

7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

7a. Typed or Printed Name and Title of Certifying Official Sonja Murray	**7c. Telephone (area code, number and extension)**
	7d. Email Address smurray@one-economy.com
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 01-31-2011

PROJECT INDICATORS

1. Does your Sustainable Broadband Adoption (SBA) project foster a particular broadband technology or technologies? If so, please describe this technology (or technologies) (600 words or less).

One Economy utilizes Meraki Wireless Mesh hardware and web based network configuration and monitoring system for the networks installed at affordable housing locations. Some sites may also require the use of switches or routers to share ISP connections, and some may require the use of Power over Ethernet (POE) devices to power the Meraki hardware. Specific Internet connection type is often determined by our Internet Service Provider match partner for that specific area or if an existing partner does not service that particular area, then by the most cost competitive Internet Service Provider available. This broadband connection strategy does not require One Economy to purchase any equipment that is $5000 or more.

2a. Please list all of the broadband equipment and/or supplies you have purchased during the most recent calendar year using BTOP grant funds or other (matching) funds, including any customer premises equipment or end-user devices. If additional space is needed, please attach a list of equipment and/or supplies. Please also describe how the equipment and supplies have been deployed (100 words or less).

Manufacturer	Item	Unit Cost per Item	Number of Units	Narrative description of how the equipment and supplies were deployed
N/A	N/A	0	0	N/A
Totals		0	0	

Add Equipment	Remove Equipment

2b. To the extent you distribute equipment/supplies to beneficiaries of your project, please describe the equipment/supplies you distribute, the quantities distributed, and the specific populations to whom the equipment/supplies are distributed **(600 words or less).**

No equipment distributed in 2010.

3. For SBA access and training provided with BTOP grant funds, please provide the information below. Unless otherwise indicated in the instructions, figures should be reported _cumulatively_ from award inception to the end of the most recent calendar year. For each type of training (other than open access), please count only the participants who _completed_ the course.

Types of Access or Training	Number of People Targeted	Number of People Participating	Total Training Hours Offered
Open Lab Access	0	0	0
Multimedia	0	0	0
Office Skills	0	0	0
ESL	0	0	0
GED	0	0	0
College Preparatory Training	0	0	0
Basic Internet and Computer Use	2,500	2,314	2,314
Certified Training Programs	0	0	0
Other (please specify): N/A	0	0	0
Total	2,500	2,314	2,314

4. Please describe key economic and social successes of your project during the past year, and why you believe the project is successful thus far (600 words or less).

One Economy's approach seeks to overcome barriers to broadband adoption technology by providing home access, as well as appropriate training and resources that allows residents to realize the value that a home broadband connection can add to their lives through improved socioeconomic outcomes. In our experience of implementing this comprehensive approach, early adopters in the community begin to immediately use broadband to improve their socioeconomic standing. As these early adopters of broadband technology share their positive experiences with broadband with neighbors and peers, adoption increases along with a broadening of economic and social successes.

The evidence of early adopters and subsequent adoption through the community is evident in past usage statistics which reveals that network use begins immediately upon installation, often before the project has been officially announced to the community, and peaks

within four to six months of the launch. This trend is illustrated in a Portland, Oregon project that began just prior to the launch of our BTOP project in July, 2010. In the 61 unit development, users by month increased from 63 in July to 229 in October, an increase of 262% over the first four months.

Our experience over the past ten years of providing broadband adoption solutions to low-income communities shows that when home Internet access is coupled with digital literacy training delivered at the community level, as well as targeted localized content, users will not only adopt broadband, but use these resources to make improvements in their lives. Evidence shows that broadband adoption in low-income communities will lead to improved outcomes related to employment, income, education, and health. Results from a 2008 project One Economy undertook in Missouri illustrate the successes that can be drive by broadband adoption. After one year of home broadband service, residents reported increases in household income, completion of higher education coursework, and improvements in grades among their children.

Initial evidence from the first year of activities shows that the project has been successful thus far. Through the project, One Economy has worked with nearly 250 partners, to create approximately 132 jobs, train over 2,300 individuals, and install Internet networks for over 2,500 households. Specifically in the community, we have launched 89 Digital Connectors programs, enrolling more than 1,350 youth; hired 18 Community Technology Associates (CTAs) and 2 mobile van managers; and launched 40 community web portals.

Examples of individuals use their home broadband access to achieve economic and social success suggests that residents are already developing the digital literacy skills that will lead to sustainable broadband adoption. Some specific examples include:
• Darsey from San Leandro, CA, who is a single mother, has already taken full advantage of these resources. Several months ago she was hit by a car, causing injuries that prohibited her from continuing her job at a fast food restaurant. By attending all the community trainings, she is now able to use her broadband connection to take online classes and search for better jobs.
• Damien from San Francisco was hired to be a community technology associate through the BTOP funding. At one point he used to be homeless and unemployed. Through the CTA program he now has a job and has learned valuable technology skills to put towards a career. He has even taken the initiative to do A+ network management classes on his own to further improve his skills.

5. Please estimate the level of broadband adoption in the community(ies) and/or area(s) your project serves, explain your methodology for estimating the level of broadband adoption, and explain changes in the broadband adoption level, if any, since the project began.

5a. Adoption Level (%):	Narrative description of level, methodology, and change from the level at project inception (600 words or less).
2	One Economy's methodology for estimating broadband adoption is based on the number of new subscribers to home broadband estimated due to the activities carried out in the BTOP project. Of the 150,000 subscribers, the initial 27,000 subscribers are attributed to the number of housing units connected with BTOP resources. The current adoption level of 1.7% is based on the approximate 2,500 units that have received broadband thus far through BTOP resources. The remaining 123,000 subscribers will be determined through a third-party evaluator who will compare all communities located in five cities that are recipients of funded BTOP activities with socio-economically comparable communities in five non-BTOP cities. This method will isolate our efforts from other factors for subscription increases. The third-party evaluator will determine both baseline and final subscription levels for each location. The final number of subscribers will be compared to the original baseline figure, and the rate of increase will be applied to all locations under the grant, producing the number of new subscribers.

6. Please describe the two most common barriers to broadband adoption that you have experienced this year in connection with your project. What steps did you take to address them (600 words or less)?

The two largest barriers to broadband adoption that One Economy has experienced this year have centered on two aspects of digital literacy: 1) providing the appropriate context in which digital literacy training and resources can be delivered to the target populations; and 2) developing awareness of the value of broadband and subsequent motivation to build the digital literacy skills that will enable them to use broadband related technologies.

Through our work during the first year of this project, we have discovered that providing an in-home broadband connection is only the first step towards sustainable adoption. As our experience, as well as studies by the Pew Internet and American Life Project, the FCC, and NTIA, has confirmed, barriers to broadband adoption are more likely to be related to relevancy and ability to use, rather than access or affordability. This has informed our approach which is founded on the provision of broadband access that is accompanied by targeted digital literacy training and providing locally and culturally relevant content.

In providing digital literacy training to our target audience, we have found that it is not enough to only inform them of existing opportunities for online or in-person training. While some form training and educational opportunities are typically available to these residents, many are reluctant or unable to pursue them due to time, cost, or location. To overcome this barrier, One Economy strives to offer numerous digital literacy training opportunities in a variety of contexts. This approach meets the different ability levels of residents, ensuring there is an appropriate setting to deliver digital literacy training regardless of prior knowledge or skill-level.

Through the recruitment of youth and young adults to serve as Digital Connectors and CTAs, we instill digital literacy skills in the community's early adopters, thus creating a corps of trainers that can expand digital literacy training throughout the community. This corps of trainers allows us to provide both formal and informal environments for learning about digital technologies. Providing a variety of settings in which to engage community members allows us to reach residents that might be uncomfortable attending a formal class, yet are interested in using technology. Similarly by assigning CTAs to particular housing development, we are able to meet residents in their community or home. Our use of mobile vans overcomes similar barriers of geographic isolation by bringing computers and related technology directly to the housing developments, where Digital Connectors and CTAs can provide trainings, and workshops onsite.

In addition to the contextual barriers to adoption, raising awareness of the value that broadband provides is a significant barrier we have faced throughout implementation of the project. Many of the communities receiving broadband for the first time are unaware of the risks of being left out of the digital world, such as the difficulties of finding a job without the Internet or getting an education without the aid of online research.

To overcome this barrier, One Economy works with the community to understand the most pressing concerns faced by residents and then develops tools and resources that will address these problems. One Economy creates localized resources and tools that are culturally appropriate and written at a literacy level our target audience can understand. Through the use of these valuable tools, residents receive life-enhancing and life-sustaining benefits, enabling them to immediately grasp the value that a home broadband connection can have in their lives. Supported by Digital Connectors and CTAs, who provide guidance in their initial experiences with these resources, residents begin to develop digital literacy skills that further increase the value they gain from using broadband.

7. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities. (150 words or less)

None. We have not made any subcontract or sub grants to any socially and economically disadvantages small business (SDB) concerns. We will collect this information next year.

8. Please describe any best practices / lessons learned that can be shared with other similar BTOP projects (900 words or less).

One Economy's experience of providing broadband solutions to low-income communities has revealed the importance of activities that shift focus from access to a process of digital inclusion which involves the entire community. Our work has confirmed that to achieve sustainable broadband adoption in the most underserved communities, we must ensure transformative technologies are utilized in a way that is representative of the targeted population's interests and concerns; consistent with the community's existing assets and systems of social services delivery; and founded in the understanding of access as a means to an end, not an end in itself. The basis of this approach is that the local community must feel a sense of ownership over the technology in order to maximize the benefits they receive from it.

By implementing a comprehensive community engagement strategy before program implementation, One Economy is able to leverage stakeholders' local knowledge, identify primary issues low-income households face, and build consensus around any proposed solution. The initial step of One Economy's community engagement process is to convene an advisory committee of local stakeholders from the community. The advisory committee includes helps build local consensus on the scope and scale of the efforts, and brings local assets to the table that will help enhance and expand the impact of the program. In addition to the advisory committee, One Economy conducts focus groups and surveys of local residents to develop an understanding of the existing technology resources available in the community and what programs will best serve local residents. This process guides One Economy in maximizing the community's resources for hiring CTAs and managing Digital Connectors programs. Additionally, it allows us to identify specific cultural and language barriers that exist in a particular community and create solutions through targeted training and multilingual content on the community web portals that address these issues.

By involving the community stakeholders in the initial stages of the project, One Economy is able to introduce broadband as a resource that directly addresses the needs of underserved residents. Furthermore, by working with local partners we are able to identify ways in which broadband solutions can improve and be delivered through existing systems that seek to alleviate poverty and increase socioeconomic outcomes. This process both increases the impact of local community organizations and increases the likelihood that broadband will be sustainably adopted among stakeholders and residents.