



## Job impact of AT&T telecom investment in California

Ethan Pollack, Senior Policy Analyst

Earlier this year we estimated the job impact of investment in wireless infrastructure.<sup>1</sup> To do this, we used two models: a macroeconomic multiplier to calculate the impact on GDP and jobs, and an Employment Requirements Matrix to calculate which proportion of the job impact is in direct industries (e.g. telecommunications), which is in supplier industries, and which is created through income re-spending. We found that the \$8 billion wireless investment that AT&T projects will result from its acquisition of T-Mobile would create between 55,000 and 96,000 job-years, where a job year is a job that lasts for a year (and two job-years are either a job that lasts two years or two jobs that last a year).

While this methodology is not best used for breakdowns by state, California is big enough to allow a defensible state job impact estimate. Our model predicts—based on current geographical employment patterns—that this investment would create between 8,000 and 14,000 job-years over the next seven years.

As with the prior report, we should note that this is not a full job-impact estimate of the entire purchase of T-Mobile by AT&T, but rather only measures the job impact of the projected additional capital investment in the wireless infrastructure.

### Job impact in California from \$8 billion national investment in wireless infrastructure

|                   | <u>Direct</u> | <u>Indirect</u> | <u>Total</u> | <u>Induced Jobs</u> | <u>Total Job Impact</u> |
|-------------------|---------------|-----------------|--------------|---------------------|-------------------------|
| High end estimate | 4,046         | 5,436           | 9,482        | 4,741               | 14,223                  |
| Low end estimate  | 2,312         | 3,106           | 5,418        | 2,709               | 8,127                   |

Source: author's analysis

<sup>1</sup> Pollack, 2011. "The jobs impact of telecom investment", *Economic Policy Institute*, Washington, D.C. May 31.

[http://w3.epi-data.org/temp2011/EPI\\_PolicyMemorandum\\_185%20%282%29.pdf](http://w3.epi-data.org/temp2011/EPI_PolicyMemorandum_185%20%282%29.pdf)