

Universal broadband coverage could add \$160B annually to US economy

Article

The news: A national high-speed internet initiative providing universal, reliable internet may add \$160 billion per year to the US economy, **according to** a new study conducted by The

Aspen Economic Strategy Group (AESG), **per** Bloomberg.

- The study—based on national survey data of more than 43,000 US working adults—determined that universal high-quality, fully reliable internet access would **increase labor productivity by 1.1% in coming years** and allow larger portions of the US workforce to work from home.
- Re-optimizing the workforce to spend more time at home could potentially boost productivity by **4.6%** relative to pre-pandemic situation levels, the authors argue, thanks in large part to savings in commuting time.
- In addition to the potential economic benefits of expanded access, the paper's survey results found that **subjective well-being was higher during the pandemic for those with better home internet access**.

Why this matters: The study is one of the clearest attempts yet to assign a dollar value to expanded internet access. In the past, researchers have **struggled** to pin down these economic benefits, due in part to methodological issues with Federal Communications Commission (FCC) data, which critics say **undercounts** the number of residents who lack broadband access.

The problem: The FCC **estimates** that some 18 million US residents still lack physical access to broadband, though that figure is **likely** much higher.

- Similarly, around **18.5 million US households lack broadband access because of its cost**. Those making under \$30,000 per year **shoulder** most of the burden.
- Earlier this month, The Verge **released** an interactive US map based on an anonymized Microsoft dataset, illustrating US counties where less than 15% of households use internet at broadband speeds (25mbs). Many of these counties **were clustered in rural areas**.

The bigger picture: Expanding internet access is a major component of President Biden's proposed **\$1.2 billion infrastructure** bill, which would set aside **\$65 billion** for investments in broadband nationwide.

- In its initial announcement, the administration outlined a plan that would seek to **provide** universal high-speed internet coverage to all US residents by 2030.
- The administration's efforts follow a slew of other moves by **Democrats in Congress** and **the FCC** to increase broadband access.

Will it work? Additional reports highlighting the economic benefits of expanded broadband access will likely increase support for spending efforts that have already **gained** some **bipartisan** support in Congress. The pronounced impact on rural areas—**often** under Republican governance—could also help drive support for the spending initiatives.

Income Inequality Drives the Digital Divide

% of US adults with broadband subscriptions



Source: Pew, 2021

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