

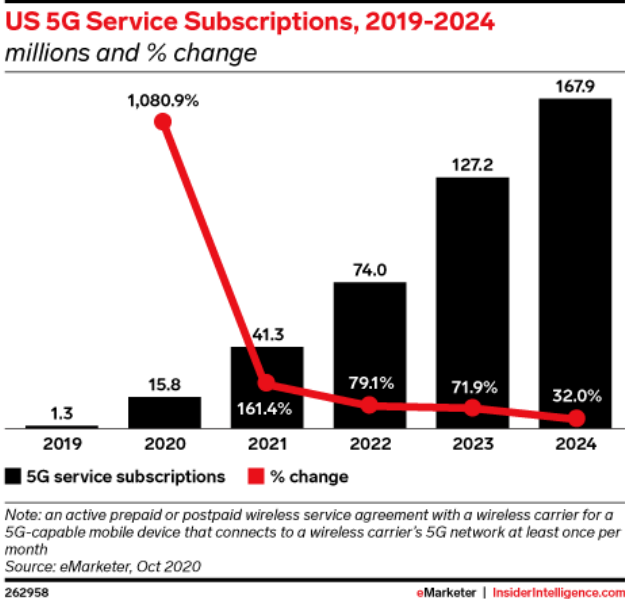
5G wireless will see years of explosive user growth

Article

From late 2019 to early 2020, the hype surrounding a potential nationwide 5G rollout was difficult to ignore. Unfortunately, the pandemic, a recession, and the limited availability of 5G-enabled smartphones further delayed 5G from bursting into the mainstream. Although millions of Americans use 5G services already, hundreds of millions still do not. Heading into 2021, however, 5G is regaining its momentum.

The first 5G networks went live in the US in late 2019, but the range of 5G-enabled mobile devices was limited and network coverage was spotty. Telecom service providers and mobile device manufacturers finally began peeling away these limitations last year. The current,

relatively small 5G user base will allow for colossal growth over the next several years. Even after a projected 161.4% increase in US 5G mobile service subscriptions in 2021, growth will be 79.1%, 71.9%, and 32.0% over the next three years, respectively. By the end of 2024, US mobile service providers will be able to claim 167.9 million subscriptions that regularly or entirely use 5G networks.

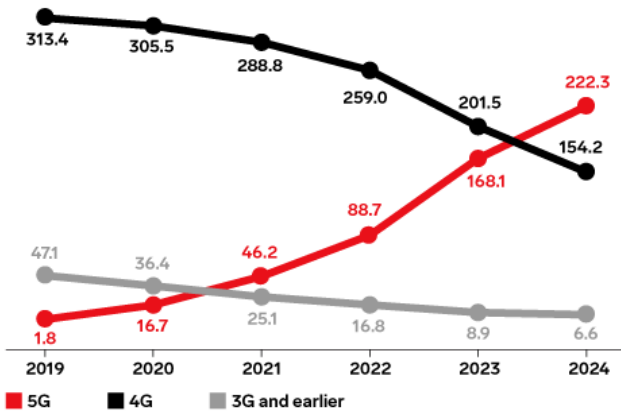


Note: Our definitions for 5G subscriptions and connections only require the usage of a 5G network once per month to qualify. Most 5G users and 5G-enabled mobile devices will still be using 4G services periodically during this transitional period.

We estimate that 84.0% of the US population will have a mobile phone service subscription in 2021, totaling 281.2 million subscriptions and encompassing 368.2 million wireless connections (the number of active devices). For 5G, the equivalent figures will seem modest in first instance, with only 12.3% of the population, 41.3 million subscriptions, and 46.2 million devices leveraging those wireless connections. However, these ratios will improve rapidly as lingering 3G connections fade away and 4G begins its slow descent.

US Mobile Network Connections, by Type, 2019-2024

millions



Note: cellular-enabled devices with an active postpaid or prepaid wireless service agreement that connect at least once per month to a wireless carrier's mobile network
Source: eMarketer, Oct 2020

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This year, there will be 220.7 million 4G subscriptions in the US, representing a 6.3% decline from 2020. That decline will accelerate to -10.6% next year, and -22.5% in 2023 as tens of millions of consumers begin qualifying as 5G subscribers and use 4G less often. By the end of 2024, just 40.3% of wireless connections will use only 4G, and 34.2% of the US population will be only on 4G. Between 2020 and 2024, the number of devices using only 4G will decline from 305.5 million to 154.2 million, and the number of devices using 5G at least some of the time will rise to 222.3 million.

To learn more about 5G's impending boom in 2021, Insider Intelligence subscribers can read our recent report:

Report by Ethan Cramer-Flood Feb 12, 2021

5G US Mobile Network Users Overview 2021

