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Study Finds Broadband Has a Major Impact on U.S. Economic Growth

By Joan Engebretson

BROADBAND**MARKET RESEARCH**

Fixed broadband adoption drove 10.9% of the accumulated growth in the U.S. gross domestic product (GDP) between 2010 and 2020, according to a new economic study from Telecom Advisory Services published on the Network:On website.

Network:On, which calls itself a “new public service campaign dedicated to celebrating the connections brought about by America’s broadband networks,” highlights Comcast, Patreon, Zoom and the Consumer Electronics Show as sponsors.



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electricity.”

According to the analysis made by Katz and his research team, capital accumulation is the biggest contributor to GDP growth, accounting for more than half of total GDP growth between 2010 and 2020. Human capital and labor growth also were substantial contributors, accounting for a combined 21.3% of growth. But growth in broadband adoption, combined with broadband speed growth, had about the same impact as human capital and labor growth, accounting for a combined 22.4% of GDP growth.

As Katz explained at the Network:On event yesterday, the researchers used four different economic models to measure GDP growth and “we proved the point on all four models.”

The researchers also estimated that if broadband adoption and speeds had remained at the 2010 level, the 2020 U.S. GDP would have been \$1.3 trillion lower, which is equivalent almost \$4,000 less per year for the average American.

The executive summary of the Telecom Advisory Services broadband economic study is written in a scholarly style that could make it difficult for the average reader to picture what is being said. But a panel presentation at the same event today attempted to fill in that picture.

Real World Examples

Perhaps the best example came from Caroline Kitchens, lead for government affairs and policy partnerships for Shopify, a website designed to enable small businesses to sell their offerings online. A monthly subscription gives businesses the ability to accept online payments and provides tools to set up a web page.

Kitchens offered several examples of small businesses in rural areas that have thrived as a result, including Barnswallow Flowers in Iowa and River Babe Threads in Michigan. Those businesses would not have been able to have that success without broadband, however.

Also on the panel was NTIA Administrator Alan Davidson, who has the awesome task of overseeing the \$42.5 billion Broadband Equity Access and Deployment



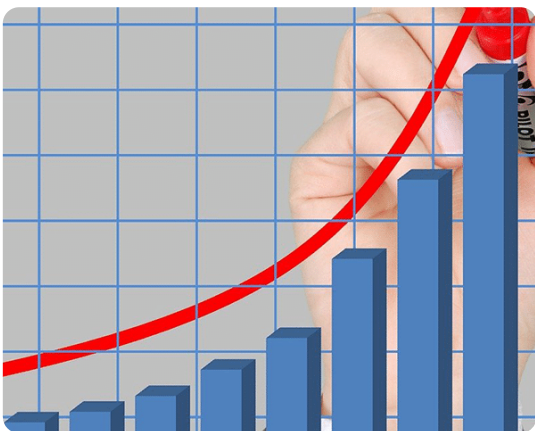
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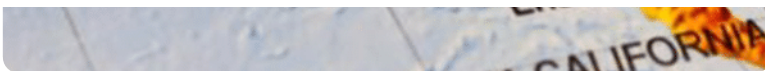




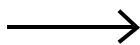
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