

BROADBAND: A VIRTUAL NECESSITY

Who's Using Broadband; Who's Not; and Who Can't

Broadband Usage in the United States

- 36% of Americans have limited access to the internet¹
- 23% do not have internet access at all¹
- 13% have no broadband at home or at work¹
- The US is 15th among developed countries in broadband deployment per 100 people²

In general, more people turn to the internet than any other source of information and support, including experts and family members¹

Broadband Usage Among Sectors

- 55% live in households earning less than \$40,000 a year¹
- 39% of the low-access group is age 63 or older¹
- 64% of the low-access group has either no high school diploma or no education past high school.

In general, the low-access population is older, has a lower-income, and is not as educated as the general population¹

¹ Information Searches That Solve Problems – Pewinternet.org

² As Broadband Expands Rapidly, America's Poor Lag – BusinessWeek

Impact of broadband availability

- A modest increase in broadband adoption could add \$134 billion annually to the US economy³
- Greater broadband deployment can restore economic growth, reduce our dependence on foreign oil and expand opportunities for those who have been left behind³
- 7% in national broadband adoption could lead to incredible economic changes including
 - ✓ creation of 2.4 million jobs
 - ✓ \$662 million savings in healthcare costs
 - ✓ \$6.4 billion annual mileage savings
 - ✓ 3.2 billion fewer pounds of carbon dioxide emissions annually
 - ✓ 3.8 billion hours of time saved for American consumers³
- Based on a study by Gartner Consulting, accelerating the build out of a statewide broadband infrastructure in Michigan would result in an increase in Michigan's gross state product of **\$440 billion** over the next 10 years⁴
- Would also result in 497,000 new jobs for the state over the same time period
- Michigan is ranked 24th in the nation in the growth rate of deployed broadband lines⁴

³ Universal Broadband to Impact US Economy by \$134 Billion – Internet Innovation Alliance

⁴ Michigan Economic Development Corporation Releases Study Detailing Benefits of Accelerating Statewide Broadband Deployment

“Broadband deployment will be the primary force of change if Michigan is to transform itself into an information society leader”⁴

-Behran Dalal
VP of Gartner Consulting

“The ability to attract and retain technology people is a real need. Without connectivity, many of our employees will relocate out of the state to Indiana where they can connect. This is even more critical for our employee's spouses who may be employed in another area of the country, but with connectivity can live in Michigan and work from home”⁴

-President of IPC Communication Services

“The difference is staggering. It is apparent that an accelerated broadband build out would make a huge difference in Michigan's economy and employment picture.”⁴

-Michigan Economic Development Corporation

Broadband, Education & Public Safety

Educational Development & Broadband

- According to an in-depth survey in UK, two-thirds of children with broadband access were spending more time using the internet for academic purposes including research and revision⁷
 - ✓ During the 3 month study, the time children spent on-line for educational purposes increased by 19%, while time spent on gaming and entertainment fell by 21%⁷
- Almost every child in the study (97%) used their broadband internet connection to do their homework and more than half (58%) felt that their schoolwork would suffer without it⁷

The research also demonstrates that there is a widespread perception amongst 75% of parents that their children's education has benefited from having access to broadband⁷

Is Public Safety suffering with low access to broadband?

- Some public safety entities, such as public safety answering points, still use networks on dial-up connection⁵
- Without broadband, significant limitations exist on personnel who must respond to emergencies
 - ✓ These personnel would benefit from the exchange of video, images and geo-referenced information that requires a broadband network because of the amount of data involved⁵
- Broadband could provide secure information over secure pipes through collaboration⁵

Seeking Out Broadband

Library Usage

- 65% of adults who went to a library for problem-solving help said that access to computers, particularly the internet, was key reason they go to the library for help.¹
 - ✓ When addressing problems, 65% used computers to look up information on the internet and 62% used computers to see what materials were available¹
- 53% of American adults report going to a local library in the past 12 months. The profile of library users shows an economically upscale, information hungry clientele who use the library to enhance their already information-rich world¹
 - ✓ The greater one's educational level, the more likely one is to go to the library; 44% had high school diploma, 57% attended college but have not received a degree, 68% had at least a college degree have been to a library in the past year¹
- Convenience is one of the determinants of going to a public library; 70% of all adults say there is a public library within 2 miles of their home, 28% say there is not a library close at hand¹
 - ✓ Income is also a significant variable, 17% had income under \$40,000 compared to 9% with higher income¹

Among those who chose not to use the library, only 13% obtained information or assistance elsewhere¹

FACTORS INFLUENCING BROADBAND ADOPTION

- Average price of broadband has jumped from \$34.50 to \$39 a month from last year²
- Current average price is as high as it was in 2004 before it fell for the next four years²
- Income remains one of the largest barriers, 82% of non-internet users reported incomes of \$40,000 or less, almost half earn less than \$20,000²

The real key to improving US broadband penetration will lie in rural telecom consolidation that has picked up recently and may allow rural customers left out of the broadband era by larger companies to join the party⁶

¹ Information Searches That Solve Problems – Pewinternet.org

² As Broadband Expands Rapidly, America's Poor Lag – BusinessWeek

⁵ Public Safety Faces Collaboration Challenges in Pursuit of Broadband Stimulus Funds, Says Expert – Government Technology

⁶ OECD: US Broadband penetration almost 27% - FierceTelecom

⁷ Broadband has positive impact on education says research – Publictechnology.net