

AUTHOR: CONNECTED NATION - Economic Impact Report

Date of Report: February 21, 2008

Nature of report (preliminary, final, advisory, executive/legislative): Advisory

Key recommendations:

- Adopt a national policy to stimulate broadband deployment to underserved areas.
- Empower every state to adopt a program similar to Connect Kentucky.

Recommended Appropriations: None

Web link to report:

http://connectednation.org/research/economic_impact_study/

Statement of Values:

Congress should pass legislation that replicates the ConnectKentucky model nationwide as a relevant means to both short and long term economic stimulus.

Where we've been:

In 2004, only 60% of Kentucky households had broadband available for subscription.

Where we are today:

- In December 2007, 95% of households could subscribe to broadband, a statewide increase of nearly 60%.
- From 2005-2007, broadband adoption (the number of homes subscribing to high-speed broadband service) in Kentucky increased 83%, a rate that exceeded what would naturally be expected when compared to nationwide trends for household broadband adoption.

Where we want to be:

- Adopt a national policy to stimulate broadband deployment to underserved areas.
- Empower every state to adopt a program similar to Connect Kentucky.
- If every state were to develop initiatives similar to ConnectKentucky, the United States could expect to gain:
 - \$92 billion through 2.4 million jobs created or saved annually
 - \$662 million saved per year in reduced healthcare costs
 - \$6.4 billion per year in mileage savings from unnecessary driving
 - \$18 million in carbon credits associated with 3.2 billion fewer lbs of CO2 emissions per year in the United States

- \$35.2 billion in value from 3.8 billion more hours saved per year from accessing broadband at home
- \$134 billion per year in total direct economic impact of accelerating broadband across the United States
- If Minnesota were to develop initiatives similar to ConnectKentucky, the State could expect to gain:
 - Economic Impact - \$2,791,482,532
 - Jobs Created or Saved Annually - 48,691
 - Direct Annual Income Growth from the Increase in Broadband - \$2,021,172,957
 - Average Annual Healthcare Costs Saved - \$11,446,205
 - Average Annual Mileage Costs Saved - \$111,405,012
 - Average Annual Hours Saved - 64,845,051
 - Annual Value of Hours Saved - \$647,153,606
 - Average Annual lbs of CO2 Emissions Cut - 56,429,893
 - Value of Carbon Offsets - \$304,751

How are we going to get there?

- Work with broadband providers to create detailed maps of broadband coverage in order to accurately pinpoint remaining gaps in broadband availability.
- Use grassroots techniques through "eCommunity Strategies" to pinpoint underserved areas and create strategic technology plans for these locations. Work with community leadership to address community challenges related to technology growth and implement the necessary programs to overcome these obstacles. eCommunity Strategies helps communities to effectively and efficiently leverage technology by identifying best technology practices and how to acquire such technology.
- No Child Left Offline and Computers for Kids bring together public and private partners to help disadvantaged children and their families join the Information Age. The program is intended to help underprivileged individuals overcome the obstacles associated with the digital divide. This is accomplished by placing computers in the hands of disadvantaged populations so that they have access to technological resources and can perform basic computing functions. Computers may be placed directly in a family's home, given to an individual child or placed in community centers that provide services to underprivileged families.

Broadband functionality (tiers of service) - Not addressed.