

# HIGH SPEED INTERNET

## ECONOMIC GROWTH AND JOBS



### OVERVIEW

Expanded access to high speed Internet generates major economic growth and rapid job creation. High speed connections accelerate business development by providing new opportunities for innovation, expansion and e-commerce. Connected communities create wealth and opportunity by attracting businesses that want to locate in areas with a strong broadband presence.

In the new global economy, access to broadband has become as essential to individual and community economic prosperity as electricity and roads. From rural to urban areas and everywhere in between, all people stand to benefit economically from a national high speed Internet network.

### CURRENT CHALLENGES

America has fallen behind other nations in crafting communications policies that effectively facilitate job growth and business advancement. Unfortunately, many lawmakers still conceive of high speed Internet as an optional luxury instead of a necessary foundation for economic success. The longer the U.S. waits to expand access to affordable broadband, the longer our economy will miss out on the enormous advantages of a connected country.

### BENEFITS OF HIGH SPEED INTERNET

- Studies show that each additional \$5 billion investment in broadband creates 250,000 jobs – 100,000 direct and indirect jobs from telecom and IT equipment spending plus another 150,000 in “network effects” spurring new online applications and services. With every percentage point increase in broadband penetration, employment expands by nearly 300,000 jobs.

- Jobs involved in the building and expansion of broadband networks pay 42 percent more than the average for manufacturing jobs in America.
- From 1998 to 2002, employment in communities with broadband grew 1 percentage point more than in communities without it.
- Broadband networks attract investment to areas that would not otherwise be viable to many businesses such as rural areas and inner-city regions.
- The expansion of energy efficient smart grids, which high speed communications are an integral part of, is expected to dramatically improve economic growth and provide thousands of new quality U.S. jobs.

### RECOMMENDATIONS

- Support tax incentives for broadband providers to expand networks with speed requirements capable of sustaining the business demands of tomorrow.
- Encourage efforts to expand high speed networks to economically depressed areas with high unemployment and underserved rural areas
- Connect programs for affordable computer purchase, broadband access and digital literacy linked with job training for low-income and displaced workers.
- Policy makers should focus on programs to support delivering one gigabyte of capacity to institutions that anchor our communities – libraries, schools and hospitals – so that all Americans will benefit from the build out of a high speed broadband infrastructure.

### FOR MORE INFORMATION

Visit [itif.org](http://itif.org) and [speedmatters.org](http://speedmatters.org)

