

The Racial Equality and Economic Opportunity Case for Expanding Broadband



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Takeaways

It is broadly understood that access to the internet is a necessity in the digital economy. But for 24 million Americans, high-speed broadband is not even available.¹ We analyzed US county data to examine how broadband availability differs based on a community's economic, geographic, and demographic characteristics.² We found that lack of broadband is not only an economic opportunity issue but one that disproportionately affects communities of color and their ability to earn a good living. Among our key findings:

1. Broadband availability differs based on measures of counties' economic well-being:

- Broadband availability is 15 percentage points lower in the 1,498 counties that experienced net business loss of at least 5% from 2005 to 2015 compared to the 595 counties that experienced net business growth of at least 5%.
- Broadband availability is 13 percentage points lower in the 1,096 counties that experienced net job loss of at least 5% from 2005 to 2015 compared to the 1,154 counties that experienced net job growth of at least 5%.

- Broadband availability is 37 percentage points lower in the 323 counties that experienced population loss of at least 5% from 2010 to 2016 compared to the 549 counties that experienced population gain of at least 5%.

2. Broadband availability tends to be lower in counties that have significant African American and Native American populations:

- Once a county's white population rises above 25%, broadband availability holds steady at around 82% of the population.
- As a county's African American population rises, broadband availability falls from 83% in counties that are less than 25% African American to 60% in counties that are at least 75% African American.
- In rural America, broadband availability is 16 percentage points higher in majority-white counties compared to majority-African American counties and is 45 percentage points higher in majority-white counties compared to majority-Native American counties.
- Broadband availability in majority-Hispanic counties is similar to that of majority-white counties.

The internet is a necessity in the digital economy. Having an internet connection at home means entrepreneurs in rural areas can start businesses, children can do homework, and job-seekers can apply for jobs online. But 24 million Americans lack access to high-speed broadband and, because of that, lack economic opportunity in the 21st century.³

This analysis takes a deeper look at the broadband gap by analyzing county data from multiple sources to examine how broadband availability differs based on a community's economic, geographic, and demographic characteristics. Our findings show that lack of broadband is not only an economic opportunity issue but an issue that disproportionately affects communities of color, particularly majority-African American and majority-Native American counties, and their ability to earn a good living. Closing this gap is vital to ensure that opportunity is broadly shared and available to all communities.

Broadband Availability by Key Economic Measures

We chose to focus on three economic measures:

1. Business growth or loss: The US economy added roughly 150,000 net new businesses between 2005 and 2015.⁴ We looked at broadband availability in the 2,093 counties that had a net business gain or loss of at least 5%.

2. Job growth or loss: Over the same ten-year period, the US economy added 5.5 million net new private sector jobs.⁵ We looked at broadband availability in the 2,250 counties that had a net job gain or loss of at least 5%.

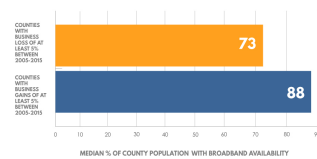
3. Population growth or loss: Between 2010 and 2016, the US added roughly 14 million people, and in 2017 roughly 35 million Americans moved.^{6 7} We looked at broadband availability in the 872 counties that experienced population gain or loss of at least 5%.

On all three economic measures, counties that have struggled economically in recent years have lower broadband availability compared to counties that have fared better during this period. To be clear, we are not arguing that lack of broadband caused these economic outcomes, simply that there appears to be a relationship between counties' economic outcomes and broadband availability.



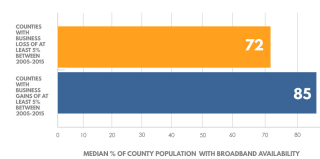
Broadband Availability by Key Economic Measures

Broadband Availability and Business Formation



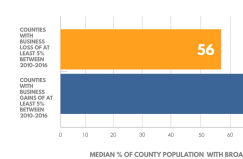
Data Source: U.S. Census County Business Patterns, FCC 2015 Broadband Deployment Report

Broadband Availability and Employment



Data Source: U.S. Census County Business Patterns, FCC 2015 Broadband Deployment Report

Broadband Availability and Pop



Data Source: U.S. Census County Business Patterns, FCC 2015 BDR

Business Formation

Broadband availability is 15 percentage points lower in the 1,498 counties that experienced business loss of at least 5% from 2005 to 2015 compared to the 595 counties that experienced business growth of at least 5%.

Job Losses and Gains

Broadband availability is 13 percentage points lower in the 1,096 counties that experienced job loss of at least 5% from 2005 to 2015 compared to the 1,154 counties that experienced job growth of at least 5%.

Population Change

Broadband availability is 37 percentage points lower in the 323 counties that experienced population loss of at least 5% from 2010 to 2016

COUNTY CONCENTRATION OF RACE OR ETHNICITY

COUNTY POP. WITH BROADBAND AV. .

80
60
40





Conclusion

For the 24 million Americans without access to broadband, the possibility of the digital economy remains out of reach. The broadband gap ripples throughout their communities, impacting the resources available to teachers and students, markets available to entrepreneurs, and training opportunities and networks available to job-seekers.

By analyzing US county data from multiple sources, we took a deeper look at the broadband gap and examined how broadband availability differs based on a community's economic, geographic, and demographic characteristics. Our findings show that Americans living in communities of color are cut off from the tools and opportunities of the modern era more often than their peers in majority-white communities.

In a new paper, we outline [Broadband for All](#), our proposal for an ambitious national campaign to connect all Americans to broadband. With Broadband for All, our aim is to ensure that all Americans, no matter who they are and where they live, can access economic opportunity.

Data Sources

County data on broadband availability come from the Federal Communications Commission's 2018 Broadband Deployment Report. County population data come from the Annual Estimates of the Resident Population from the US Census Bureau's Population Division. County demographic data come from the US Census Bureau's American Community Survey. County data on business formation and employed residents come from the US Census Bureau's County Business Patterns. Data on counties' status as either urban or rural come from the US Department of Agriculture's Economic Research Service.

ENDNOTES

- 1.** In this paper we focus on the availability of fixed broadband because, from an economic opportunity standpoint, having fixed broadband makes it easier to do things like search and apply for jobs online. We use the Federal Communications Commission's definition of fixed broadband as broadband service with download speeds of at least 25 megabits per second and upload speeds of at least 3 megabits per second.
- 2.** This paper focuses on broadband availability—that is, where broadband has been deployed—rather than whether broadband is affordable. Broadband affordability is of course critical, but deploying broadband to communities that are currently unserved is the most urgent step in getting all Americans connected to broadband.
- 3.** “2018 Broadband Deployment Report.” Federal Communications Commission. 02 Feb 2018.
<https://docs.fcc.gov/public/attachments/FCC-18-10A1.pdf>. Accessed 24 Jul 2018.
- 4.** Authors' calculations.
- 5.** Authors' calculations.
- 6.** Authors' calculations.
- 7.** “Declining Mover Rate Driven by Renters, Census Bureau Reports.” U.S. Census Bureau. 15 Nov 2017.
<https://www.census.gov/newsroom/press-releases/2017/mover-rates.html>. Accessed 16 Nov 2018.
- 8.** For the purposes of this paper, non-metropolitan counties were categorized as rural while metropolitan counties were categorized as urban.