



JOINT CENTER
FOR POLITICAL AND ECONOMIC STUDIES

Economic Growth, Job Creation & Private Investment

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Broadband Impact—Overview

- Brookings Institution - for every 1% increase in broadband penetration in a state, employment would rise by 0.2% to 0.3% percent per year
 - Increase of about 300,000 jobs
- A 7% increase in broadband adoption across the US could result in...
 - Additional 2.4 million jobs per year
 - \$662 million saved per year in reduced health care costs
 - \$6.4 billion per year in mileage saving from unnecessary driving, \$18 billion in CO2 emissions savings
 - \$134 billion per year in total direct economic impact of accelerating broadband across the U.S.

Case Study: Broadband Impact in California

- In 2005, new broadband access responsible for...
 - 52,000 of 281,000 net new jobs
 - \$3.2 billion of the \$36 billion in net new payroll
- Migration from dial-up to broadband in 2005 created...
 - Another 52,000 jobs
 - Another \$2.7 billion of payroll
- 2002 to 2005 - broadband generated roughly 195,000 jobs and approximately \$10 billion of payroll
- For every 1% of the adult population using broadband, employment grows by 0.075%
 - The payroll growth rate also grows by up to 0.088 percentage points

The State of Black America

- African American unemployment rate is 14.5%
- Duration of unemployment for African American men is 21.4 weeks, compared to 15.1 weeks for white men
- Unemployment among black teenagers is 35.7%
- 2009 Pew study - African Americans remain at an all time low in broadband adoption when compared to other subgroups
- African Americans who live within “broadband-deprived” communities....
 - Unable to use the Internet to apply for jobs online
 - Unable to develop the skills critical for 21st century such as using email, web browsers, and a range of Internet applications

Leveraging Broadband to Create Opportunities for African Americans and Other People of Color

- Integrate broadband infrastructure in the revitalization plans of urban and rural communities
 - Require Empowerment & Enterprise Zones to integrate broadband infrastructure into municipal & community plans
 - Provide incentives through Tax Increment Financing (TIF) and Industrial Revenue Bond Financing (RBF) for nonprofits
- Private sector tax incentives to spur broadband build-out and migrate new business ventures to low-income communities
 - Vacant land lots, for example, can become “home” to call centers and other service industry businesses that require a broadband connection, phone line and workers

Leveraging Broadband to Create Opportunities for African Americans and Other People of Color

- Raise awareness and access to broadband for deskilled and under-employed workers
 - People need access to online job boards AND resources that increase their technical proficiency (e.g., web browsing, email, Internet applications)
 - Link these workers to emerging local opportunities
- Increase support to minority businesses and local chambers to incubate new ventures and expand support to disadvantaged businesses that leverage technology and create jobs
 - Support business development and innovative R&D for non-traditional markets