



WHY DOES THIS MATTER?

High-speed broadband is an essential utility for Americans to learn, work, access public services, and engage with their government and community. Tens of millions of residents nationwide still lack reliable, high-quality broadband access. Without addressing broadband costs, it is unlikely communities will close the digital divide.

WHY USE ARP FUNDS?

To address immediate service needs, state and local governments can use federal funds to build awareness of existing federal subsidy programs, provide additional complementary subsidies that fully meet local costs, and to map and identify what residents lack access to broadband for further intervention and investments.

WHY DO THIS NOW?

Equitable broadband access influences workforce, education, health, and many other outcomes. Residents need access now to recover from financial shortfalls during the pandemic. In addition, if states and local governments want to improve access to public services or equitable engagement with the community, broadband is a necessary tool to reach residents.

Increasing Broadband Affordability



What are we trying to accomplish? Expanding access to high-speed broadband service at home for residents through direct subsidies which reduce the effective cost of service.



Problem we're addressing: 90% of Americans see the internet as essential, but over a quarter of survey respondents during the pandemic cited concerns over cost to maintain access. Tens of millions of Americans remain disconnected. Historically, broadband service has not been subsidized adequately at a federal, state, or local level to overcome these cost constraints for residents.



Why does this matter? Broadband access has cross-cutting benefits across health, education, and the workforce, including on household earnings and quality of life, on local employment rates and business outcomes, and on local tax revenues. Inequitable access has similarly cross-cutting negative impacts.

What is the policy intervention? State and local governments can implement 3 interventions:



1. Expand knowledge of and help sign-up residents for federal broadband subsidies
2. Identify residents who lack access to broadband and assess their unique cost constraints
3. Provide complementary subsidies on top of federal subsidies to fully meet local access gaps

Subsidies should be targeted to residents without access and may include qualifiers such as income level or existing participation in a program like WIC, Medicaid, SNAP, etc.



Cost: Costs will vary by number of residents. Federal subsidies are capped at \$30/month. State and local programs may aim to reduce total service costs (often \$65/month or more) to \$10/month or less.

ROI: Studies show an estimated household ROI of up to 4x the cost of the subsidy. Macro level ROI can include increases in employment, business growth and tax revenues.



Why now? The COVID-19 pandemic has worsened the negative impacts of the digital divide, causing significant disruptions to student learning, access to healthcare and vital public services, and economic opportunity. Home data use has increased nearly 20% during the pandemic, further leaving residents without home broadband behind. Expanded broadband access will also provide a base infrastructure input which better enables other state and local government policy interventions to be funded in the future. Finally, existing federal subsidies through the Emergency Broadband Benefit will expire, and be replaced by the lower subsidies from the Affordable Connectivity Plan administered by the FCC, creating an opportunity for state and local governments to bridge the cost gap for residents.

What does success look like?



- Increasing the number of residents who can access affordable high-speed broadband at home
- Closing the equity gap and digital divide between households which do and do not have broadband
- Improved knowledge of where residents who not have access are, what their cost barrier is, and how to reach them to address it



Why ARP and/or Infrastructure bill funds? Use of ARP funds as a one-time investment can ensure cross-cutting benefits because of the ubiquitous value of broadband for households. Broadband access can also reduce costs of government service delivery, improve use and reach of other ARP or federal investments, and provide long-run benefits in tax revenue through increased employment and business growth. Short-term subsidies will also buy additional time for governments to enact longer-term broadband changes locally and build a wider customer base to support alternative, more affordable services and providers.

Additional benefits

- Increased resident participation in the digital economy and/or digital learning and training
- Better and more equitable uptake of critical government support services
- Greater resident satisfaction with local government services

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TAKEAWAYS

Outcomes	Equity	ROI
Expanded access to broadband leads to greater digital inclusion, closing the digital divide, and improving outcomes in a variety of sectors including workforce participation, income and business growth.	Broadband subsidies address inequities in who has access to the internet, closing gaps in access to online learning, employment, healthcare, government services, and more.	This policy could lead to an increase in household income through improved employment outcomes, improved access to public services and social safety net benefits. Increased income would lead to greater economic growth and tax revenue in the long run.