



BROADBAND AND NETWORK

Broadband Brings Varied Economic Impacts to Local Areas, States

During a National Telecommunications and Information Administration webinar, speakers discussed how broadband organizations can influence economic development projects, job numbers, local revenues and more.

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Broadband companies can improve regional economic development, though positive impacts vary depending on local and state contexts, said experts during a National

Telecommunications and Information Administration webinar Thursday.

The first presentation of the webinar was delivered by Lauren Mathena, director of economic development and community engagement with the Mid-Atlantic Broadband Communities Corporation (MBC), which allows Internet service providers to connect to its 1,900-mile fiber network in southern Virginia. Mathena said this open access approach is a “proven strategy to reduce costs of broadband expansion,” as ISPs — be they companies or electric cooperatives — only have to worry about last-mile buildouts.

“By comparison, if another provider was building their own middle-mile component, only they would be able to access that ... We’re not trying to block competition,” Mathena said. “We’re actually trying to encourage it.”

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An open access network can also help a region or state attract industry. Mathena said MBC was a key reason why Microsoft **built** an advanced data center in Mecklenburg County, Va. Originally, Microsoft considered locating in another part of Virginia, but the tech giant decided the site wouldn’t work. State officials and local economic developers, however, were able to convince Microsoft to build its data center within Mecklenburg, with MBC’s infrastructure being a major selling point.

Indraneel Kumar, principal regional planner for the Purdue Center for Regional Development, described broadband as an economic “catalyst.” In chemistry, a catalyst increases the efficiency and speed of a chemical process. Similarly, reliable broadband can accelerate the activities of engineering companies or agricultural enterprises.

Kumar also shared a recent study, titled *Job Creation From Rural Broadband Companies*, that he coauthored with researcher Roberto Gallardo. The study found that in 2017, its sample of rural broadband companies “created and supported 77,000 jobs across different industries” in 44 states. The jobs were in fields as diverse as engineering, accounting, law and retail. The total economic impact was \$10 billion.

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“That’s a substantial economic footprint that we’re talking about,” Kumar said.

Kumar added that different states benefitted differently in the analysis. For example, for every job directly created by a rural broadband company, an additional 2.2 jobs were created in Alaska. In Arkansas, however, an additional 3.4 jobs were created.

“Every state is a unique economy on its own,” Kumar explained.

Joshua Seidemann, vice president of policy for NTCA – The Rural Broadband Association, cited [research](#) that shows that broadband-enabled telehealth in rural areas saves medical facilities thousands of dollars in travel expenses, lost wages and hospital costs. Rural telehealth also increases revenues for medical labs and local pharmacies in the thousands.

Broadband also creates stronger bonds between rural and urban areas, which is important given the economic, sociological and other interdependencies between rural and urban America, Seidemann said. With this in mind, broadband is “no different than the post roads provided for in the Constitution.”

Seidemann added that the impact of telework can’t be underestimated when it comes to job losses in a local economy. He referenced a figure showing job declines among non-teleworkable positions in February and March of this year. A recent [study](#) from the Federal Reserve Bank of Kansas City backs up Seidemann’s assertion that non-teleworkable jobs experienced greater declines during the beginning of the pandemic, but the study does point out that “teleworkable jobs also saw losses” between February and April and that “employment recovered at a similar pace in both teleworkable and non-teleworkable jobs” after this period.



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Jed Pressgrove has been a writer and editor for about 15 years. He received a bachelor's degree in journalism and a master's degree in sociology from Mississippi State University.

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