

Broadband for Everyone Means Higher Earnings Nationwide

Expanding broadband access and consumer cost-reduction subsidies is a cost-effective way to reduce child poverty. In fact, it can easily pay for itself.

By Steven S. Ross / *Broadband Communities*

In this issue (see p. 28), I explore the relationship between child poverty and lack of broadband access. Counties in the bottom half of **BROADBAND COMMUNITIES'** broadband rankings have 4 to 5 percentage points higher poverty rates and 2 percentage points lower high school graduation rates than those in the top half. That translates to about 3 million more children in poverty at any one time and almost 100,000 fewer high school graduates annually.

In rural counties, the issue often is lack of any broadband access. In urban counties, the issue is more about price than availability. For hard-pressed parents, housing, food and clothing must come before broadband. That's especially so in urban areas, where housing often requires more than half of family income. The motivation is different for society; 100,000 adults earning \$50,000 annually add \$5 billion to the nation's economy. Without a high school diploma, those adults add half that figure. Over a 30- to 40-year working lifetime, the difference to the economy is close to a trillion dollars.

Put another way, a small part of the annual \$2.5 billion in new national income from each annual cohort of graduates easily amortizes construction of \$200 billion in new broadband deployments – enough to bring broadband to everyone. It would be fiber for most of the 15 million premises that lack access now, with maybe 2 million deep-rural households served by low-Earth-orbit satellites.

Broadband is not a poverty cure, but it is part of the cure. It is also relatively easy to implement – a rare example of helping solve a problem by throwing money at it. In the long term, this helps reduce the nation's poverty rate by perhaps 10 to 20 percent. It reduces stress and increases hope for the poverty-stricken, and as COVID-19 lockdowns demonstrate, it would make the economy more resilient. Paying upfront to make people more productive is also less expensive than subsidizing them later.

If the child poverty indicators for each state equaled those for the county in that state best served by broadband, there would be 3.5 million fewer food-insecure children, 130,000 fewer babies born annually to adolescents, and 15,000 fewer child deaths. According to a report from the nonprofit organization Save the Children,

- **The number of children struggling with hunger would fall by a quarter (26 percent).** In California, there would be 470,000 fewer hungry children and in Texas, 460,000 fewer. Child food insecurity would drop by 35 percent in Michigan, North Dakota and West Virginia. It would drop 36 percent in Kentucky, 37 percent in Tennessee and 41 percent in Virginia.
- **The number of babies born to teenagers would be reduced by more than 70 percent.** In Texas, there would be 19,000 fewer each year and in California, 11,000 fewer. Eliminating inequities in Maryland, New Jersey and Wisconsin would lead to 85 percent fewer teen births. The reduction would be 88 percent in Georgia and 94 percent in Virginia.
- **More than two of every five child deaths (44 percent) would be prevented.** Some of the greatest gains would be made in Georgia, Iowa, Missouri, Rhode Island and Tennessee, where death rates of children under age 18 would fall by 60 percent or more. Closing survival gaps would mean 1,400 fewer deaths per year in Texas and 1,700 fewer deaths in California.

BROADBAND COMMUNITIES' conclusions are rough estimates. There is no firm data on the number of children in rural premises that lack access. We know that at least 2 million premises (and possibly far more) with schoolchildren are benefiting from free broadband access during COVID-19. We also know the FCC is reforming its data system, but the reform is aimed at premises, not people. We know that immediate food and shelter needs eclipse broadband needs.

But we also know that major carriers have become major content providers, and that the unregulated content business will be more profitable with more connected customers. We know that states have begun loosening restrictions on public deployments and adding their own funds to subsidize public and private deployments. Congressional staffers are aiming at substantial new subsidies for student access and for new deployments.

It's time for the federal government to do more, and there are bills in Congress to do just that. Save the children. ❖

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