

“Broadband Internet in Rural and Minority Households: Adoption and Use of the Internet and Its Implications”

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Peter L. Stenberg is a senior economist at the Economic Research Service, U.S. Department of Agriculture. He conducts research in the area of regional and resource economics. Prior to joining the Economic Research Service, he was an assistant professor in the economics department at Hamline University; a research associate in the Center of Urban and Regional Affairs (Humphrey Institute of Public Affairs), University of Minnesota; a research associate in the applied economics department, University of Minnesota; and a private consultant who had research contracts with various state and federal agencies, universities, and corporations across the United States. Stenberg is also an ex officio board member of the Western Rural Development Center, program chair for the North American Regional Science Council, member and former chair, NE-1029 rural research committee, and chair, AAEA case study committee. He has written more than 150 professional articles on economic development and policy and been an invited speaker for numerous venues. Topics have included telecommunications, science and technology policy, higher education, defense restructuring, high-technology industry, regional economies, rural economies, and other economic development topics. Stenberg earned a PhD and an MS in applied economics and a BS in engineering from the University of Minnesota.

Summary and Findings: Broadband Internet adoption and use increased markedly over the last decade, with rates of adoption varying for rural households. My study examines the changes and use of broadband Internet in rural and minority households. I use descriptive statistics and multinomial logistic regressions of survey data in my analysis. The Internet is used for information, education, job hunting, and other activities. The use of the Internet, however, varies across households, with poorer households less likely to use the Internet. In this research I analyze the causal relationships between use and nonuse and infer what this may mean for various households. While economic benefits exist from the use of the Internet, cost remains a major factor in the use of the Internet for poorer households. Cost, however, is not the only factor, but initial knowledge of the Internet and other factors also play a role.

Implications for Policy and Practice: Some programs in schools and libraries help mitigate the cost disadvantage of Internet use for rural and minority households. Recent proposed changes in the Universal Service program by the Federal Communications Commission (FCC) and other policy proposals may help reduce the cost barriers. The changes are under court review with likely further review by the FCC. The five-year farm bill includes support for rural broadband infrastructure development as well as distance education, telemedicine, outreach programs to increase the acceptance of Internet in households, and other programs. The existing farm bill was temporarily extended while the full five-year bill continues to be debated.