

Why Internet Access in Rural America Affects Everyone

(StatePoint) Healthy communities and a strong national economy rely on internet access for all, suggests a new study.

Indeed, in today's economy, those in both urban and rural areas are equally dependent on online transactions, according to new report commissioned by the Foundation for Rural Service (FRS), entitled "A Cyber Economy: The Transactional Value of the Internet in Rural America." However, rural dwellers do not always enjoy the same access to robust broadband as urbanites.

"Access to the internet is key to almost everything we do today -- connecting us to education, healthcare, job opportunities, entertainment and so much more," says FRS executive director, Jessica Golden.

But it's not just people who are dependent on online transactions, the national economy is too. Half of the U.S. GDP today comes from internet-driven transactions and that percentage is expected to rise over the next four years, according to the report. Valued at \$1.4 trillion and accounting for 7 percent of the U.S. nominal GDP, rural America accounts for a substantial portion of these transactions.

"These findings highlight the value of continued investment in rural broadband for the good of all Americans," says Golden.

Rural Broadband Matters to America

Internet-based transactions drive half the U.S. economy, and rural residents—who make up almost 20 percent of the population—have the same vital need for internet access as urban dwellers.

Internet Usage

Compared to urban areas, rural residents:

- use Wi-Fi in their homes at the same rate
- use smartphones to connect at nearly the same rate
- use the internet for approximately the same amount of time each day
- use the same types of broadband access (although urbanites have greater access to fiber-based service)
- connect the same types of devices to the internet

Internet-Driven Commerce

The Numbers

15.5% Rural America is responsible for 15.5% of all consumer, internet-driven transactions.

10.8 billion Rural transactions per year

The Money

\$1.4 trillion value of rural online transactions

14% of all internet-driven transactions

7% of the U.S. nominal gross domestic product (GDP)

The Future

TODAY **50% GDP** Internet-driven transactions = 50% of U.S. GDP (\$9.6 trillion)

2022 **65% GDP** Internet-driven transactions = 65% of U.S. GDP (\$14 trillion)

Internet-based transactions include:

Automotive	Products	Food
Utilities and Communications	Over the Top (OTT) Video	Health Care
Home services	Financial	Travel

Rural Broadband Investment

Rural consumers depend on their broadband connection for online transactions, which drive the U.S. economy. This highlights the value of continued investment in rural broadband for the good of all Americans.

FOUNDATION FOR RURAL SERVICE

Source: Foundation for Rural Service white paper "A Cyber Economy: The Transactional Value of the Internet in Rural America," by iGR