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## Press Release

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FOR IMMEDIATE RELEASE  
Wednesday, January 20, 2010

### INTERNET USERS STICK WITH JOB SEARCHES LONGER

*Impact is Greater for Broadband Users Whether at Home or at Public Facilities*

WASHINGTON, D.C. – Americans who use the Internet are more likely to continue active job searches and less likely to drop out of the labor force than those without Internet access, especially among those who use broadband services, the Phoenix Center says in a new study released today. The study uses the 2007 *Computer and Internet Use Supplement* of the Census Bureau's *Current Population Survey* to empirically estimate the effect of Internet use on job search and finds that broadband Internet users – whether at home or at shared public facilities – are at least 50 percent less likely to give up job searches because of discouragement than those who do not use the Internet. Dial-up Internet users are about one-third less likely to drop out of the labor force.

“By connecting Americans to jobs and information about job opportunities, Internet usage feeds hope and encourages frustrated workers to keep on looking even when job prospects are dim,” according to Phoenix Center President Lawrence J. Spiwak. “These findings suggest that broadband connectivity can contribute to economic recovery.”

“Our study also shows the enormous potential benefit of community broadband centers for those who are not connected at home,” Spiwak adds. “While broadband use at home delivers significant benefits, shared facilities can be a valuable solution to connectivity gaps in unserved and underserved communities.”

The Phoenix Center says the new study provides important insights to policymakers at a time when unemployment is stubbornly high, with government estimates suggesting the unemployment rate, when broadly defined, now exceeds 17%. In fact, large numbers of Americans have given up looking for jobs because they think none are available. The U.S. Labor Department's Bureau of Labor Statistics, which is responsible for the government's monthly data on employment and unemployment, estimates that adding “discouraged workers,” as defined by the Bureau, who had quit looking for work as of December 2009, would boost the current U.S. jobless rate above the frequently reported 10 percent level.

“Some people discount the benefit of public Internet facilities relative to home use. But providing public facilities should be a key part of our public policy,” says Phoenix Center Chief Economist Dr. George S. Ford, one of the study's co-authors. “It's more convenient to have broadband in your living room, but computer ownership and broadband subscriptions are not free

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goods. It appears from this evidence that people will go out of their way to use public broadband when the benefits are clear. They should have the opportunity to do that. A mix of private and public Internet use is bound to more socially efficient than all of one or the other.”

PHOENIX CENTER POLICY PAPER NO. 39: *Internet Use and Job Search* may be downloaded free from the Phoenix Center’s web page at: <http://www.phoenix-center.org/pcpp/PCPP39Final.pdf>.

The Phoenix Center is a non-profit 501(c)(3) organization that studies broad public-policy issues related to governance, social and economic conditions, with a particular emphasis on the law and economics of telecommunications and high-tech industries.

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