NEW GOVERNMENT DATA CONFIRMS THAT RELEVANCE AND NOT PRICE IS THE PRIMARY REASON FOR LACK OF BROADBAND IN THE HOME

Analysis indicates that as adoption rises, the remaining pool of non-adopters increasingly will be households that have little interest in using the Internet

WASHINGTON, D.C. – In a recent post by the National Telecommunications Information Administration (“NTIA”), the agency discusses the latest release of the NTIA’s Internet Use Survey (November 2021). The NTIA worries there are “enduring barriers to closing the digital divide,” and for good reason. When respondents were asked why they don’t use the Internet at home, over 60% said the main reason is that they “don’t need it or not interested.” In a distant second at a 20% response rate, respondents said using the internet was “too expensive.” The pattern in responses is nothing new—the relative shares are consistent with prior survey years. Many Americans choose to stay offline because they are uninterested in what the Internet has to offer or else are afraid of what the Internet has to offer, which is a valid concern.

A lack of interest in using the Internet as a barrier to adoption may become a bigger problem in the future. In a new analysis released today entitled Challenges to Universal Adoption: A Look at NTIA’s New Data, Phoenix Center Chief Economist Dr. George S. Ford uses data from the last four iterations of the Internet Use Survey (2015, 2017, 2019, and 2021) to show that as Internet adoption rises, the share of persons saying they “don’t need it or are not interested” rises, and those saying it is “too expensive” falls. Dr. Ford’s analysis shows that as adoption rises, the remaining pool of non-adopters is increasingly households that have little interest in using the Internet. Thus, closing the adoption gap may become increasingly more difficult over time as adoption rises.

“Efforts to close the Digital Divide will be increasingly challenging, since public policy must deal with households that have no interest in the Internet. The telephone was never universally adopted in the home, and there is little reason to think the same may be true for the Internet,” says study author Phoenix Center Chief Economist Dr. George S. Ford. “At high levels of adoption, devoting significant resources to the affordability issue, presumably via subsidies, may not render large payoffs.”

A full copy of PHOENIX CENTER POLICY PERSPECTIVE NO. 22-03, Challenges to Universal Adoption: A Look at NTIA’s New Data, may be downloaded free from the Phoenix Center’s web page at: https://www.phoenix-center.org/perspectives/Perspective22-03Final.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 the digital age.