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## Press Release

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### STUDY SHOWS THAT THE INTERNET IS A POWERFUL TOOL FOR HELPING AMERICANS IN LOW-INCOME HOUSEHOLDS AND RURAL COMMUNITIES SEARCH FOR JOBS

*Facilitating Private Investment in Expanded Mobile and Fixed Broadband Coverage Could Improve the Efficiency of Labor Markets*

WASHINGTON, D.C. – Updating two studies from 2010, the Phoenix Center confirmed today that 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 that do not use the Internet. Authored by Phoenix Center Chief Economist Dr. George S. Ford, the study also recognizes that mobile broadband is rapidly becoming the connection modality of choice for many Americans.

In particular, evidence suggests that lower-income households, where labor market troubles are particularly acute, are more prone to be mobile-only customers. While mobile broadband is widely available, there are meaningful shortfalls in coverage, particularly in rural markets. Accordingly, facilitating private investment in expanded mobile broadband coverage could improve the efficiency of labor markets, and particularly for persons living in lower-income households or rural markets.

Using the 2009 and 2003 *Computer and Internet Use Supplements* of the Census Bureau's *Current Population Survey*, the Center's empirical models again find that broadband Internet users—whether at home or at shared public facilities—are about half as likely to give up job searches because of discouragement than those who do not use the Internet. Even dial-up Internet users are less likely than non-users to drop out of the labor force as a result of being discouraged by labor market prospects. Estimates from the study based on 2003 data indicate that the primary mechanism for reducing discouragement is Internet-based job search and not general Internet use.

Given these new results, the Phoenix Center's research continues to reveal that a healthy commercial Internet ecosystem, supported by policies that promote efficient investment, remains an important tool for helping the United States return to economic health. As such, the Center again recommends that government should seek to promote policies that incentivize, rather than deter, efficient private broadband investment.

PHOENIX CENTER POLICY PERSPECTIVE NO. 11-04, *Internet Use and Labor Market Participation: Additional Insights from New and Old Data* may be downloaded free from the Phoenix Center's web page at: <http://www.phoenix-center.org/perspectives/Perspective11-04Final.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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