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Press Release

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NEW STUDY SHOWS THAT AMERICANS SEEKING WORK FIND MOBILE BROADBAND USE EXTREMELY EFFECTIVE IN ASSESSING LABOR MARKET PROSPECTS

Mobile Use Reduces Labor Market Discouragement Even More than Broadband Use at Home

WASHINGTON, D.C. – Building on prior research and using the 2010 Census Bureau *Computer and Internet Use Supplements*, Phoenix Center Chief Economist Dr. George Ford finds that mobile Internet use has a positive effect on Americans who sustain active job searches, cutting in half the probability that an unemployed person would become discouraged by labor market prospects and abandon efforts to find work.

As part of the study, Dr. Ford finds that mobile Internet use by Americans reduces labor market discouragement even more than broadband use at home. 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 a result of these new findings, the Center recommends that government should seek to promote policies that provide incentives, rather than deterrents, to companies willing to make efficient investments in wireless broadband.

With extraordinarily high unemployment expected to continue for at least the next three years, the significance of public policy interventions on labor market outcomes is of substantial interest, including the promotion of broadband Internet use. In a number of earlier studies by the Phoenix Center, Internet use—both in the home and at shared public locations such as schools and libraries—has been shown to promote active job searches among Americans looking for work. This latest assessment of the efficacy of mobile broadband technology and its powerful impact on Americans seeking jobs builds on this analysis.

“With unemployment expected to remain extremely high over the next several years, we need to make sure Americans do not become discouraged and give up on looking for work” said study author Dr. George Ford. “Fortunately, mobile broadband—which is the modality of choice for many Americans—is a powerful tool to keep people without jobs in the labor force.”

“This evidence on the efficacy of mobile broadband for labor market outcomes is of significant public policy importance—particularly for parts of rural America—since mobile broadband may be the only economically-feasible delivery technology,” says Phoenix Center President Lawrence J.

Spiwak. "As the President and Congress focus this week on getting Americans working again, the promotion of efficient investment in the wireless sector should be given serious consideration."

PHOENIX CENTER POLICY PERSPECTIVE NO. 11-05, *Mobile Broadband and Job Search: An Empirical Test* may be downloaded free from the Phoenix Center's web page at: <http://www.phoenix-center.org/perspectives/Perspective11-05Final.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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