Measuring Impact of Broadband on the Community

2017 CASE STUDIES OF 5 RURAL MINNESOTA COMMUNITIES

ANN TREACY
Research questions

1. What does a connected rural community look like?
2. What are the providers and communities doing right?
3. What is the community ROI on public investments?
Methodology

• Collect and analyze existing data from 5 communities
• Look at ROI formulas
• Hold community meetings/interviews with key interlocutors
Beltrami/Bemidji – Hip and Happening

**Provider – Paul Bunyan**
Fiber (Gig)
DSL (50/40)

**Community Partners**
Bemidji Leads and Greater Bemidji
Crow Wing/Brainerd – Work Hard, Play Hard

Provider – CTC
Fiber (Gig)
DSL (50/1.5)

Community Partners
Brainerd Lakes Chamber of Commerce, Brainerd Lakes Area EDC (BLAEDC), Schools
Goodhue/Red Wing – Hotbed of Entrepreneurs

**Provider – HBC**
Fiber (Gig)
Fixed Wireless (40/40)

**Community Partners**
Red Wing Ignite
Lake – Remote but Global

Provider – Lake Connections
Fiber (Gig)

Community Partners
County Commissioners, Lake County
Sibley – Stable & Determined

Provider – RS Fiber (HBC)
Fiber (Gig)
Fixed Wireless (50/25)

Community Partners
RS Fiber
What do the numbers show?
Broadband Access Over Time

Population with Broadband

- Beltrami
- Crow
- Wing
- Goodhue
- Lake
- Sibley
- Minne...

percentage

years/speed

2012(10/6) 2013(10/6) 2014(10/6) 2015(10/5) 2016(25/3) 2016(100/20)
Beltrami – Census Stats

**2016 Population** is up 3.7 percent from 2010
- The statewide average was 4.1
- Town/Rural counties as a group have seen a decline

2015 Median Income is $44,757
- Compared $40,700 for similar counties

**Beltrami’s Digital Divide Index Score** is the second best out of the counties we are tracking
ROI Formulas

• **Public investment** – Border to border grants, ARRA
• **Annual economic benefit** - $1850/household x HH served
• **Community real estate increase** – 3% increase of market (median value x HH served)
ROI Formulas

Public Investment vs Community Benefits

Public Investment | Annual Economic Benefit | Community Real Estate Increase

Beltrami | Crow Wing | Goodhue | Lake | Sibley
## ROI Details

<table>
<thead>
<tr>
<th>County</th>
<th>Public Investment</th>
<th>Annual Econ Benefit*</th>
<th>Real Estate Increase*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beltrami</td>
<td>$1,432,000</td>
<td>$38,631,700</td>
<td>$102,593,266</td>
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<tr>
<td>Crow Wing</td>
<td>$15,123,450</td>
<td>$67,412,150</td>
<td>$214,662,149</td>
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<td>Goodhue</td>
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<td>Lake</td>
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<td>$38,547,421</td>
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<td>Sibley</td>
<td>$9,850,011</td>
<td>$8,604,350</td>
<td>$20,162,085</td>
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</tbody>
</table>

- Annual economic benefit - $1850/household x HH served
- Community real estate increase – 3% increase of market (median value x HH served)
Conclusions

• Two keys to economic benefit – access and adoption
• The community benefits from broadband quickly; the provider’s ROI may not be as “timely”
• Public funding shortens ROI for the provider
• Adoption efforts increases ROI for community
Thank you!

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