



## BROADBAND ADOPTION IN TEXAS

Broadband access is important, but future investments and build-out in the state could be deterred if broadband adoption among Texas businesses and residents does not grow as well. Therefore, it is in the interest of all leaders in Texas to collaborate and bridge the remaining broadband adoption gaps to ensure that all Texans are able to participate and compete in the twenty-first century interconnected global economy.

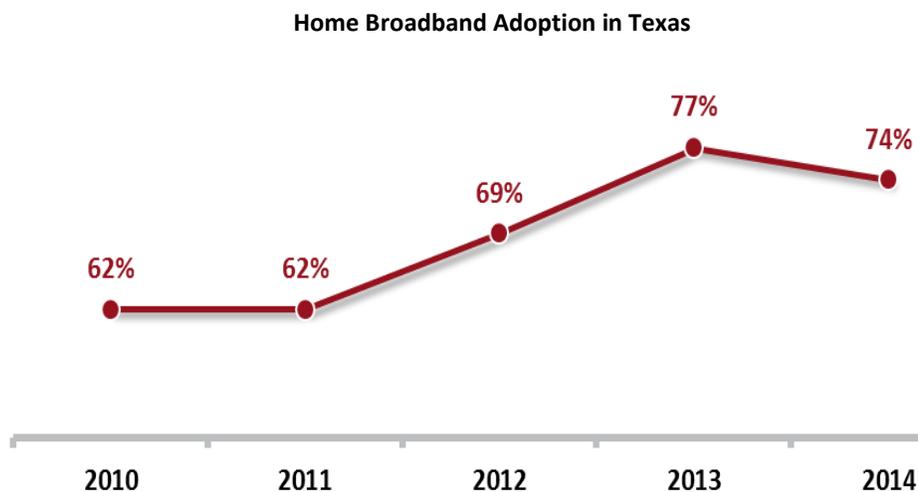
### Trends in Broadband Adoption Among Texas Homes and Businesses

Connected Texas' innovative research on broadband access, adoption, and use is unprecedented. Connected Texas conducts annual statewide residential and business surveys. These surveys provide information about the people, businesses, and communities that are taking advantage – and more importantly, not yet taking advantage – of the opportunities provided through broadband adoption.

#### Residential Broadband Trends

Connected Texas' 2014 Residential Technology Assessment revealed that 26% of Texans have not adopted broadband at home, down from 38% in 2010. While 74% of adults in the state subscribe to home broadband service, this leaves nearly 5 million adults statewide who still do not subscribe to home broadband service.

The barriers to home broadband adoption are consistently delineated into three main categories: (1) a belief that having home broadband service is not important or relevant; (2) affordability of service and/or devices; and (3) a lack of digital skills to fully benefit from the devices and broadband connectivity. Since 2012, the belief that home broadband service is not relevant or worthwhile has been the top barrier to home broadband adoption, cited by three out of ten Texas non-adopters (30%) in 2014. Cost is another significant barrier to home broadband adoption, reported by nearly one-quarter of non-adopters (23%). The lack of digital literacy skills has declined as a barrier to home broadband adoption since 2011, from 14% to 12% of non-adopters in 2014; this represents more than 820,000 fewer adults who said that their lack of digital literacy skills prevented them from subscribing to broadband.

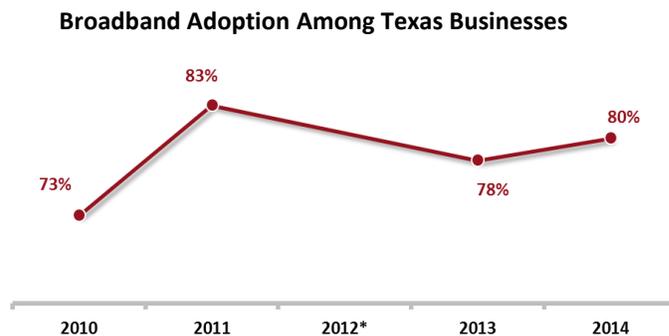


## Business Broadband Trends

Because of the impact that broadband has on businesses and the workforce, Connected Texas surveyed businesses in the state about their broadband adoption and usage.

Broadband is a transformative tool that helps Texas businesses increase their revenues and productivity. According to Connected Texas' Business Technology Assessments, Texas businesses earned an estimated \$194.6 billion in revenue from online sales in 2013, the equivalent of 13% of Texas' Gross Domestic Product (GDP) for that year.<sup>2</sup>

Connected Texas' 2014 Business Technology Assessment, released in summer 2014, revealed that four out of five businesses in the state (80%) use broadband, up from 73% of businesses in 2010.



\*Connected Texas did not conduct a Business Technology Assessment in 2012

Despite this increase, approximately 105,000 Texas businesses still do not use broadband. Additionally, over one in five Texas businesses (22%) have difficulty finding employees with the necessary technological skills, suggesting that technology training can help empower Texas' workforce.

## Topical Reports

In addition to statewide research surveys, Connected Texas published several reports that explored broadband issues in the state, ranging from online shopping to e-learning applications. These reports uncover and highlight broadband successes and opportunities within the state and show how Texas

residents and businesses benefit from broadband adoption.

Among these studies:

[Texas Goes Mobile: Mobile Broadband Adoption and Satisfaction Across Texas](#) (2012) reported that nearly one-half of Texas adults (48%, representing 8.9 million Texans) used mobile broadband at that time. Of those, 2.1 million used mobile broadband *instead* of subscribing to home Internet service. More than one-half of Texans who accessed broadband on their cell phones (53%) said they were satisfied with their mobile service, with Texans giving the highest marks to service reliability and customer satisfaction.

[The Texas Digital Divide: An Assessment of Rural and Non-Rural Texans](#) (2012) showed that home broadband adoption was 16 percentage points lower among rural Texans than among those living in non-rural parts of the state (48% of rural adults, compared to 64% of those in urban and suburban portions of the state). Rural Texans who did subscribe to home broadband service or use mobile broadband were also less likely than their non-rural peers to use many online applications (one exception was that rural mobile users were just as likely to use their mobile service to search or apply for jobs as non-rural Texans). More than one in four rural Texans who did not subscribe to broadband (27%) said that cost was their main barrier to adopting broadband, while a lack of available service was the main barrier to adoption for approximately 145,000 rural Texans.

[Making the Connection Through Digital Literacy](#) (2012) revealed that approximately 1.4 million, or 20% of Texans who did not have broadband at home, cited the lack of digital literacy skills as their main barrier to subscribing. Statewide, approximately 600,000 Hispanics, 544,000 Caucasians, and 198,000 African Americans living in Texas cited digital literacy as a barrier to home broadband adoption.

<sup>2</sup> 2013 GDP in real dollars = \$1.533 trillion (source: United States Bureau of Economic Analysis).