



Supporting Broadband Keeps Small Businesses Alive and Promotes Economic Development

Broadband access is a key factor for the success of small businesses and economic development because it is essential for day-to-day operations. In a 2010 Small Business Administration [survey](#), business owners indicated that “high-speed (broadband) Internet access is as essential to their business as other utilities such as water, sewer, or electricity.” Broadband provides access to the tools that small businesses need to serve their customers, and allows small businesses to reach customers worldwide. Without broadband, many localities will struggle to attract businesses of all sizes, because those businesses will not be able to compete.

Businesses often require a faster connection to handle more people using those connections, but Microsoft estimates that [160 million](#) don’t have access to the internet at broadband speeds (25/3 Mbps), and approximately 30% of businesses indicate a need for [greater capacity networks](#). The faster broadband connections required by businesses can also be extremely expensive, making them [unaffordable](#) for many small businesses. Those without broadband (because of availability or affordability) often reside in the areas that have the greatest need for small businesses -- [rural](#) or [low-income](#) areas. That is why Congress must promote broadband adoption so that small businesses are not set up to fail before they open their doors.

The Value of Broadband to Small Businesses and Economic Development

- Broadband improves the bottom line for businesses, because it allows small businesses to access customers worldwide, in order to compete with larger competitors. Those businesses that can access global markets online have a 30% higher survival rate than unconnected businesses, according to the [World Economic Forum](#).
- Connected businesses are also [three times more likely](#) to create jobs. For example, Blue Valley Meats, based in small-town Diller Nebraska, was able to [double](#) its number of employees over the last five years, largely due to the creation of a website to reach new customers.
- Many small businesses would not exist without broadband. Eighty percent of sellers on online marketplace Etsy are businesses of one, with 97%, working out of their homes through broadband. These Etsy microbusiness sellers contributed [\\$5.37 billion](#) to the U.S. Economy in 2018. In addition, some small businesses in rural areas claim they could not be in business without access to broadband internet.
- Reliable broadband is needed to support [cloud-based applications](#), such as customer databases and financial management tools, which help small businesses with fewer staff streamline their operations. It is also necessary for day-to-day business needs like ordering office supplies online, in-office postage printing, and phones using [VoIP technology](#).
- Online advertising allows small businesses to compete with larger companies by leveraging highly efficient targeting to speak to only their most likely customers. Because of its efficiency, online advertising can be more cost-effective for small businesses than other types of advertising such as TV or radio, with ads costing between \$5 to a few hundred dollars.
- Finally, a lack of high-speed internet [impacts](#) the ability of communities to attract new businesses, which need the internet to survive and remain competitive. Improving access to broadband will improve local economic development.