



The Daily Dish

# Rural Broadband

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## Eakinomics: Rural Broadband

Broadband! There, I said it, so everything will be great. Broadband has become that kind of magic elixir. Just add a little broadband and everything will be just fine — airborne broadband, undersea broadband, vodka and broadband, and — of course — rural broadband! The latest entrant in the rural broadband sweepstakes was part of Elizabeth Warren’s [My Plan for Rural America](#), which turns out to be little more than a plan to throw a ton of taxpayer money at rural America. This includes an \$85 billion federal grant program to expand broadband access across the country. Warren argues that “One of the best tools for unlocking economic opportunity and advances in health care, like telemedicine, is access to reliable, high-speed Internet.”

AAF’s Will Rinehart [notes](#) some of the flaws in the proposal. As he observes, “By definition, rural America is simply everything that isn’t located within a metro region, but that doesn’t mean rural America isn’t clustered into population centers. One commonly used classification scheme is the Rural-Urban Continuum Codes developed by the United States Department of Agriculture, which provides researchers with detailed residential classifications to analyze the degree of rurality and metro proximity.” He elaborates, “There is a strong spatial component to broadband deployment, which AAF’s previous research confirms. Micropolitan cores, which are rural population cores with between 10,000 and 50,000 people, already have broad access to broadband similar to metropolitan cores. But the surrounding areas tend to show marked differences in broadband availability. Access drops quickly the further you get from a population center. In other words, many rural towns tend to have good Internet access already, and it is in those population centers where the jobs are located.”

There is nothing about previous efforts that gives reason for optimism. The Department of Agriculture’s Broadband Loan Program found no impact for rural areas and the American Recovery and Reinvestment Act’s \$7 billion broadband investment had at best mixed success. The list could go on because the spatial economics are not in their favor.

The reality is that rural areas can have good health and family well-being, a level of autonomy and social recognition, and opportunities for personal satisfaction. But they won’t be universally prosperous, because the most successful capital-intensive modern firms have little connection to rural businesses in the local economy. Throwing money at rural areas will not change those fundamentals — even if you add broadband.