



TO: Larry Strickling  
FROM: John Horrigan, Pew Internet & American Life Project  
DATE: December 16, 2008  
RE: **Barriers to Broadband Adoption – The User Perspective**

It was suggested that, for tomorrow's meeting pertaining to the Broadband Economic Stimulus, I focus on the barriers to broadband adoption from the user perspective. The tables appended to this cover memo draw on the Pew Internet Project's "Home Broadband Adoption 2008" report [http://www.pewinternet.org/PPF/r/257/report\\_display.asp](http://www.pewinternet.org/PPF/r/257/report_display.asp).

The past year has seen a modest 3 percentage point growth in home broadband adoption, from 54% in December 2007 to 57% in our most recent December 2008 survey. Our data show that, beyond the 57% of Americans with broadband at home, 9% have dial-up internet at home, and 25% are without internet access.<sup>1</sup>

The flattening of the broadband adoption curve reflects, in part at least, the economic slowdown. Pew data showed a similar pattern for online access during the 2001 recession, when internet penetration hovered around 55% for the better part of a year from early 2001 to early 2002. Even in better economic times, however, there would be challenges to drawing non-broadband users to home high-speed subscribership; they are older, lower income, have trouble using technology, and may not see the relevance of online content to their lives.

#### **Summary of attached tables**

Reasons people do not have broadband --

- **Availability** – 4.5% of adults cite this.
- **Usability** – 5.5% cite reasons such as difficulty in using technology or waste of time.
- **Price** – 5.9% of adults cite a reason relating to price.
- **Other** – 16.4 of adults cite a range of other reason that have mainly to do with not knowing the relevance of online content as a resource for them (i.e., they aren't interested in getting online, they just don't want to switch from dial-up).

Demographic characteristics of non-users --

- **Dial-up users** – they are predominantly female, middle-aged, have low levels of educational attainment, and are lower-middle income individuals.
- **Non-internet users** – they are older (4 in 10 are senior citizens), disproportionately African American, low-income, and on average not highly educated.

Trends from 2005 to 2008 –

- **Low-income Americans** (under \$20K annual household income) reported no growth in home broadband adoption from 2007 to 2008, after several years of strong growth.
- **African Americans** showed no significant growth in home broadband adoption from 2007 to 2008 after rapid growth in prior years.
- Adoption is approaching saturation levels for **upper income Americans**.

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<sup>1</sup> Overall, 75% of adults say they use the internet. The figures for broadband-at-home (57%) and dial-up at home (9%) don't sum to the total for internet access (75%) because some people say they are internet users, but have access either from work only or from some other place (e.g. the library).



## Appendix

<b>Reasons people do not have broadband at home</b>		
<b>What would it take to get you to switch to broadband? (asked of dial-up users)</b>		
<b>Dial-up users = 9% of all adults</b>		
	<b>% of dial-up users</b>	<b>% of all adults</b>
Price must fall	35%	3.2%
Nothing would get me to switch	19%	1.7%
Don't know	16%	1.4%
It would have to become available where I live	14%	1.3%
Other	11%	1.0%
	<b>Total</b>	<b>8.6%</b>
<b>What is the MAIN reason you don't use the internet or email? (asked of non-users)</b>		
<b>Non-internet users = 25% of all adults</b>		
	<b>% of non-users</b>	<b>% of all adults</b>
Not interested in getting online	33%	8.3%
Can't get access	13%	3.3%
Difficult	9%	2.3%
Other reason	9%	2.3%
Too expensive	7%	1.8%
Too busy/no time	7%	1.8%
Waste of time	7%	1.8%
Don't have computer	4%	1.0%
Too old to learn	3%	0.8%
Physically unable	3%	0.8%
	<b>Total</b>	<b>23.8%</b>
<b>Summary of reasons dial-up <u>and</u> non-internet users cite for not having broadband at home</b>		
Usability (difficult + waste of time + too old + physically unable)		5.5%
Price (price must fall + too expensive + no computer)		5.9%
Availability		4.5%
Residual (remaining reasons cited)		16.4%
	<b>Total</b>	<b>32.3%</b>



<b>Demographic profiles: home broadband, dial-up, and non-internet users</b>			
The proportion of internet users who have certain demographic traits			
	Home Broadband	Home Dial-up	Non-internet users
<b>Gender</b>			
Male	50%	39%	47%
Female	50	61	52
<b>Age</b>			
18-29	23	21	7
30-49	46	35	21
50-64	23	28	29
65+	6	16	43
<b>Median Age</b>	<b>40</b>	<b>45</b>	<b>61</b>
<b>Race/ethnicity</b>			
White (not Hispanic)	73	75	68
Black (not Hispanic)	8	9	17
Hispanic (English speaking)	10	14	7
<b>Education</b>			
Less than high school	7	7	28
High school grad	26	44	49
Some college	28	30	14
College +	40	19	9
<b>Income</b>			
Under \$20K	9	13	29
\$20K-\$30K	8	16	14
\$30K-\$40K	8	15	9
\$40K-\$50K	9	9	6
\$50K-\$75K	15	14	7
\$75K-\$100K	17	9	2
Over \$100K	22	9	3
<b>Community type</b>			
Urban	13	23	29
Suburban	56	47	45
Rural	31	30	26
Number of cases	1,153	249	698
<i>Source: Pew Internet &amp; American Life Project Survey, May 2008.</i>			



<b>Trends home broadband adoption by group</b>				
(% in each group with broadband at home)				
	% with broadband at home (2005)	% with broadband at home (2006)	% with broadband at home (2007)	% with broadband at home (2008)
<b>Yearly adoption</b>				
All adults	33%	42%	47%	55%
<b>Gender</b>				
Male	31	45	50	58
Female	27	38	44	53
<b>Age</b>				
18-29	38	55	63	70
30-49	36	50	59	69
50-64	27	38	40	50
65+	8	13	15	19
<b>Race /ethnicity</b>				
White (not Hispanic)	31	42	48	57
Black (not Hispanic)	14	31	40	43
Hispanic (English speaking)	28	41	47	56
<b>Educational attainment</b>				
Less than high school	10	17	21	28
High school grad	20	31	34	40
Some college	35	47	58	66
College +	47	62	70	79
<b>Household income</b>				
Under \$20K	13	18	28	25
\$20K-\$30K	19	27	34	42
\$30K-\$40K	26	40	40	49
\$40K-\$50K	28	47	52	60
\$50K-\$75K	35	48	58	67
\$75K-\$100K	51	67	70	82
Over \$100K	62	68	82	85
<b>Community type</b>				
Urban	31	44	52	57
Suburban	33	46	49	60
Rural	18	25	31	38
<b>Sources:</b> 2005 data come from the Pew Internet Project's combined January-March tracking survey of 4,402 adults; 1,265 were home broadband users.				
2006 data come from the Pew Internet Project's February 15 through April 6 survey of 4,001 adults; 1,562 were home broadband users.				
2007 data are drawn from our March survey of 2,200 adults; 966 were home broadband users.				
2008 data are from our April-May of 2008 survey of 2,251 adults; 1,153 were home broadband users.				