Measuring Impact of Broadband in 5 Rural Minnesota Communities

Background
In the Summer of 2017, Blandin Foundation set out to look at five counties with successful broadband strategies in rural Minnesota - Beltrami, Crow Wing, Goodhue, Lake and Sibley Counties. The goal was to determine the value of that broadband based on impact to community residents and businesses.

Research Questions
- What impact have public investments in broadband infrastructure had on the community?
- What community utilization efforts are underway in community?
- What impact, if any, are they having?

Methodology
Report authors Ann Treacy (Treacy Information Services) and Bill Coleman (Community Technology Advisors) used three methods to answer the research questions: county demographics, established formulas comparing public investment to community economic benefit[i], and stories from community members.

Finding: Economic benefit surpasses public investment in 1 to 6 years
In three counties (Beltrami, Crow Wing and Goodhue) the annual collective economic benefit for residents will surpass the public/community investment in one year. In one county (Sibley), the benefit will surpass investment in slightly more than a year. In Lake County, the formulas suggest that it will take six years to recoup the public investment.
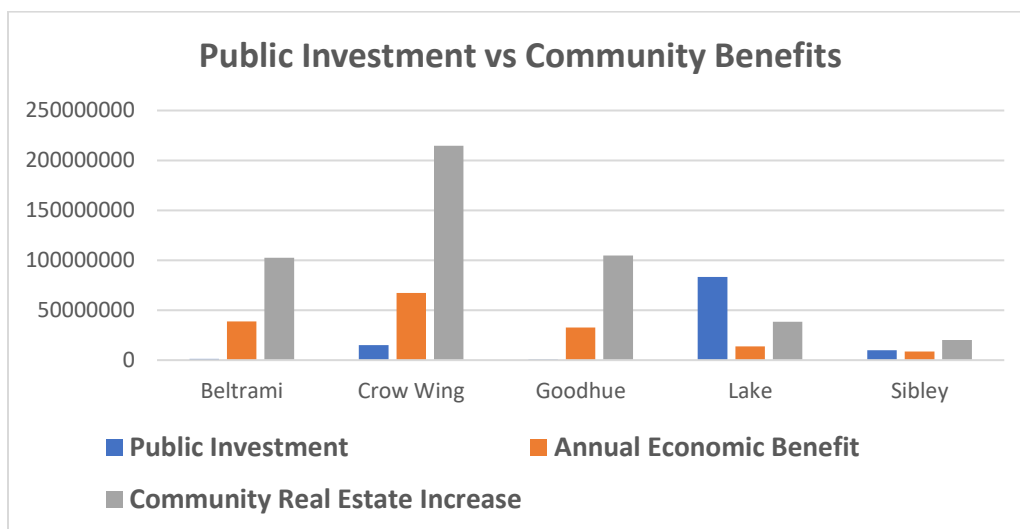
Finding: Impact of broadband grows with utilization
Each county in the study completed a planning process to identify strengths and opportunities to improve broadband use. Based on their economic development strategy, each place has identified focus areas and built programs to advance them.

- Beltrami County: support and grow a community of local businesses and recruiting technology businesses to the area. *Programs: GigaZone, LaunchPad, technology training*
- Crow Wing County: bolster technology skills in the area to create a strong technology sector. *Programs*: *BLAEDC Tech Recruiter, technical skills in business community and schools*
- Goodhue County: promote local innovation and entrepreneurialism that uses the Gig network to best advantage. *Programs: Red Wing Ignite, STEAM in the schools, rural hackfest*
- Lake County: allow residents and businesses to stay connected with the rest of the world. *Programs: intergenerational tech class, telepresence center, streaming community radio*
- Sibley County: use broadband as an economic tool – for local farmers and other businesses. *Programs: formation of RS Fiber, Winthrop mobile app, recruit medical school*

Stories of Impact: What are communities seeing as a result of their investment?

- Aircraft restorer in Bemidji says fiber allowed his company to increase revenue from $400,000 to $4 million (and he's aiming for $50 million!)
- Crow Wing County's ability to turn a closed factory into a technology push that leads to 20 tech companies that employ 1,000 people
- Red Wing's $1 million in free marketing for becoming a finalist in the Deluxe Corporation's Small Business Revolution – Main Street contest.
- The parent portal in Lake County that saves printing costs but more importantly gets parents involved in student issues before the report card comes out - helping kids not fall behind.
- A medical school opening in Sibley County in 2018 with an expected 600 students. (The current population in Gaylord, the proposed location, is 2,200!)

Key Takeaways

- Broadband is necessary but not sufficient. Like a treadmill in the basement, broadband is only helpful when you use it.
- Smart communities plan from the future. They work to get ahead of the curve by studying demographics, technology shifts and trends.
- A whole-community approach is better than a sector-specific approach. A strategy such as MIRC (Minnesota intelligent Rural Community) can help support and provide direction to the efforts.
- Smart providers build for future demand, not current usage.
- An engaged provider is best case scenario for a community in need of better broadband.
- Sufficient broadband is invisible. Communities that have broadband quickly take it for granted and assume that sufficient broadband is in place – just like electricity.
- Innovative communities build a buzz. It doesn't take a Gig to get 63,000 Facebook fans (as one butcher in Bemidji has done) but it takes a culture of use, which means access, training and encouragement to use technology.

---

[i] These formulas set from Ohio State University (annual economic benefit) and FTTH Council (increase value in homes with broadband).