Investing in Broadband Infrastructure

Regional Economic Models, Inc.
Guyesha Blackshear, Analyst

what does REMI say? ^{sm}

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Background

Methodology

Notable Results

Conclusion

Q&A

what does REMI say? sm

About Us

We are the nation's leader in dynamic local, state and national policy modeling.

From the start, REMI has sought to improve public policy through economic modeling software that informs policies impacting our day-to-day lives.

We were founded in 1980 on a transformative idea: government decision-makers should test the economic effects of their policies before they're implemented.

At REMI, we're inspired by a single goal: *improving public policies*.

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About Us

At REMI, we're inspired by a single goal: *improving public policies.*

Our models are built for any state, county, or combination of counties in the United States.

Our Representative Clients

Our model users and consulting clients use REMI software solutions
to perform rigorous economic analysis that critically influences policy.

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*what does **REMI** say?*^{sm}

Objectives of the Infrastructure Deal

REMI

Primary Goals

Workforce Development

Create good-quality jobs that pay prevailing wages while ensuring workers have the agency to organize, join a union, and bargain collectively.

Rebuild Competitive Edge

Revitalize manufacturing, secure U.S. supply chains, invest in R&D, and train Americans for the jobs of the future.

Improve Infrastructure

Fix highways, rebuild bridges, upgrade ports, airports, transit systems, and implement digital integration.

Incentivize Domestic Job Creation

Implement incentives that stop the shifting of jobs and profits abroad, and ensures corporations pay their fair share.

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Benefits of Universal Broadband Access

REMI

Economic Competitiveness

Internet access enables gains in labor productivity and promotes higher compensation rates.
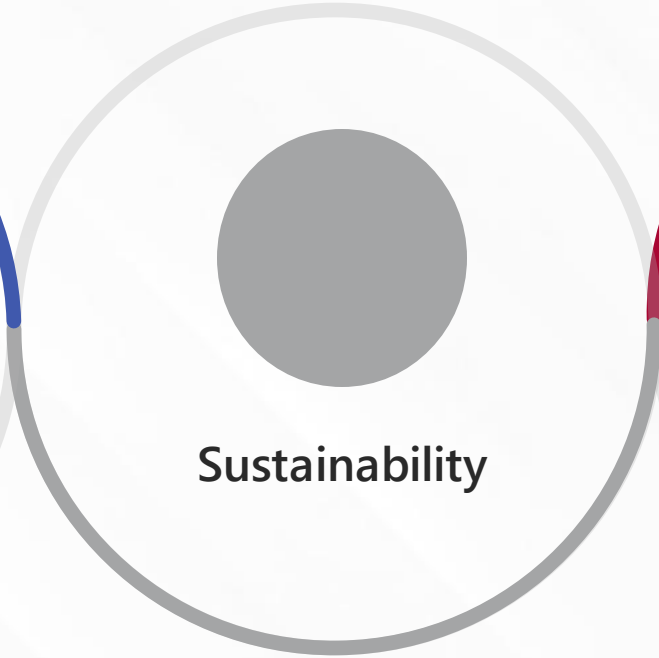
Sustainability

Enhanced connectivity will mitigate costs associated with congestion.

Improved Quality of Life

Through the productivity gains from public goods (places and transportation), this promotes better living conditions.

what does REMI say? [sm]

Objectives of Broadband Investment Deployment

Funding Appropriations

- $65 Billion for Universal Broadband Access
  - $42.5 Billion for direct spending for state funding to improve infrastructure
  - $14.2 Billion for internet subsidies
  - $2.75 Billion for Digital Equity Strategy

Policy Adjustments

- Addresses issues related to transparency, affordability, and accessibility
  - Increased access to low-cost internet plans
  - Transparent pricing and details relating to connectivity
  - Equal access to internet for historically underserved communities
  - Prohibits "digital redlining"

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Why SEI?

Guiding Concepts

- REMI SEI is the premium modeling solution for evaluating the socioeconomic indicators (SEI) of project, programs, and policy changes

- Public policy should serve the interests of the public

- In order to ensure that policy effects are broad-based, need to evaluate how different social and demographic groups are affected by policies

- Required to do so by federal, state and local regulations

- American demography is changing; building a diverse workforce is imperative for future economic development and growth

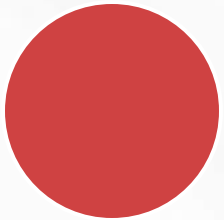*what does REMI say?* sm
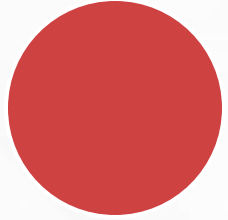
Compensation Distribution
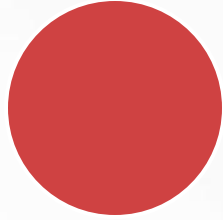
Employment Changes by Earnings Quintile
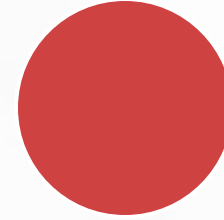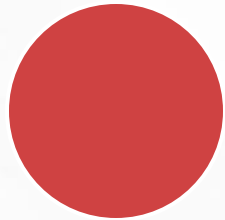
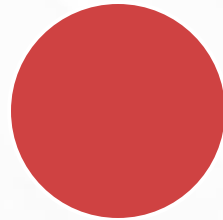Consumption Price by Earnings Quintile and Range
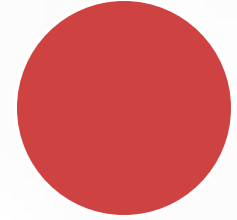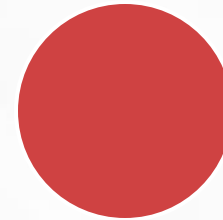
Inequality Coefficient
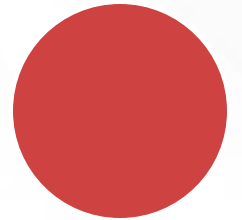
Employment by Race & Gender

Employment by Educational Attainment

Labor Force Participation by Race & Gender

Unemployment

Per Capita Income

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Socioeconomic Indicator Dashboard: Immediate & Long Term Effects

REMI

SEI Methodology

A systematic solution that can measure the core socioeconomic implications of programs and practices to quantify and measure progress for all groups.

Diversity, Equity, and Inclusion

Immediate Effects

In the short run, decision makers are able to gain granular insights into their human capital to identify areas of opportunity.

Compensation rate differentials

Income by quintile

Employment by race, gender, and educational attainment

Labor force by race and gender

Long Term Effects

In the long run, the ability to measure the progress of all divisional aspects of a region's population fosters positive externalities for all groups.

Effective human capital

Economic growth

Increased access to opportunity for all groups

Sustainable governance

Model Simulation Overview: Universal Internet Access

8-Major Cities Model | 70 Industry Sector | Years Observed: 2022 - 2040

Infrastructure

- Exogenous Final Demand
  - Detail: Construction, Telecommunication

Household Finance

- Consumer Price
  - Detail: Internet Access
- Commodity Access Index
  - Detail: Telecommunications

Operations & Maintenance

- Production Costs
  - Detail: All Industries

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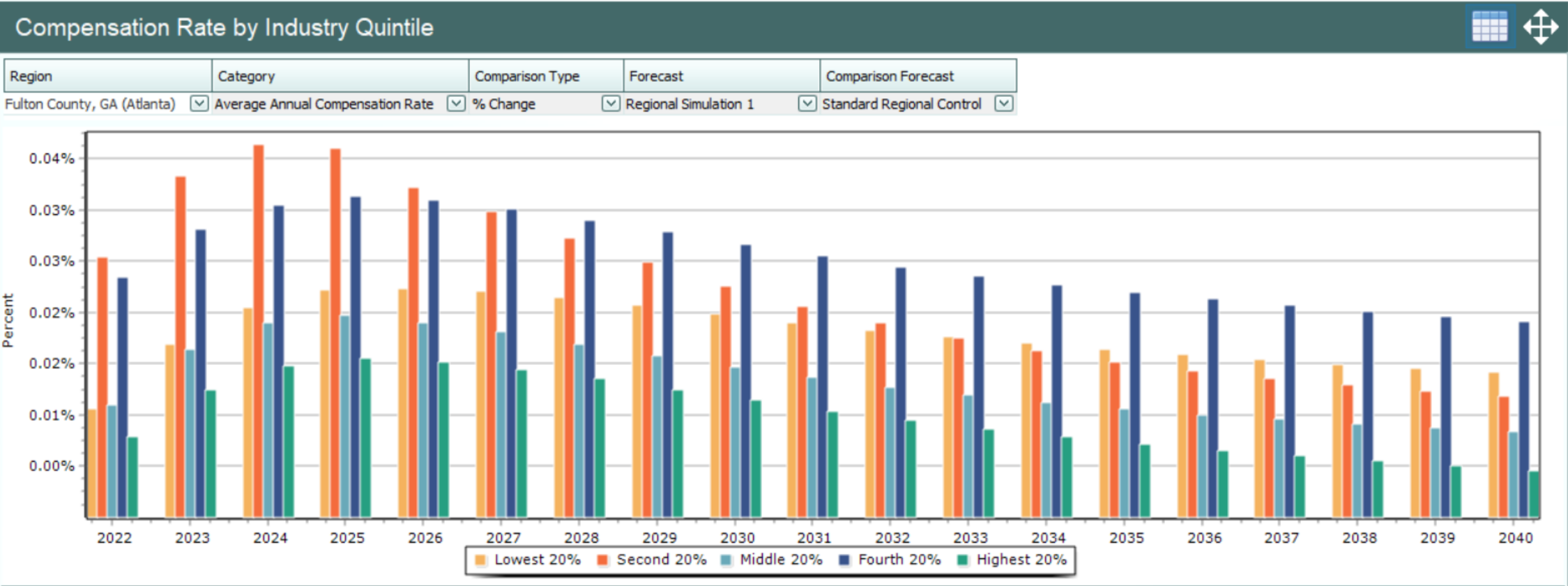
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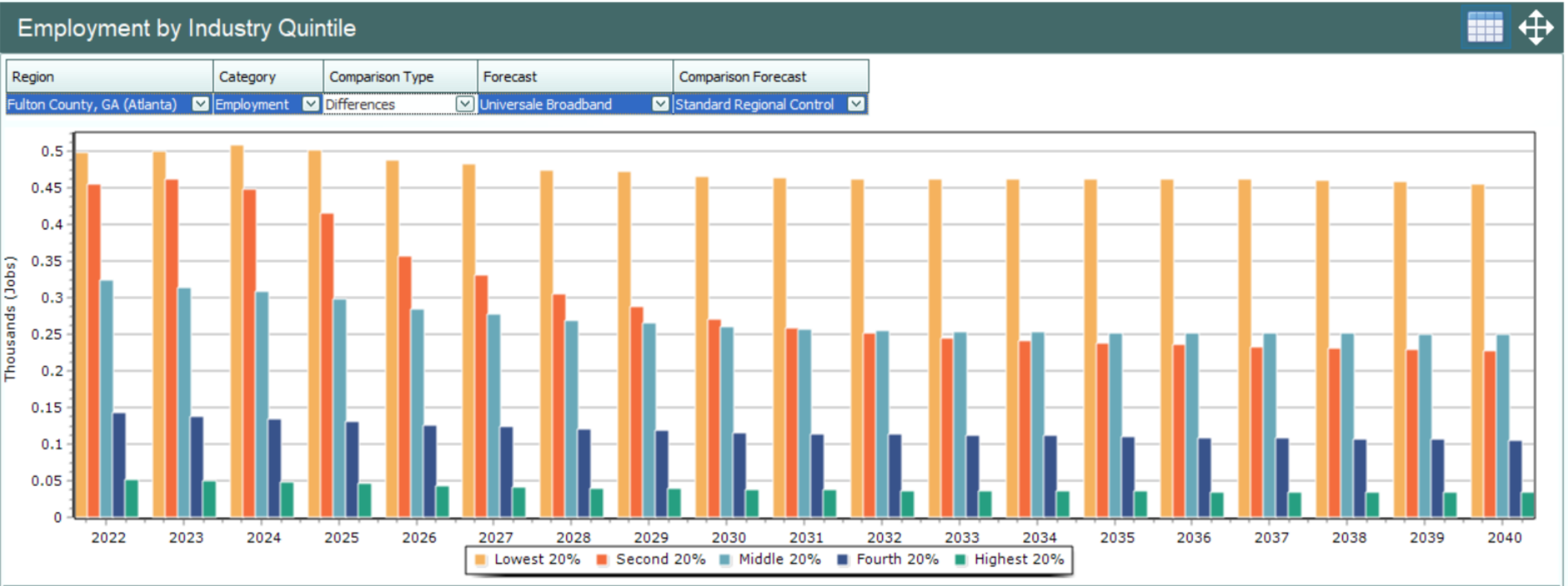
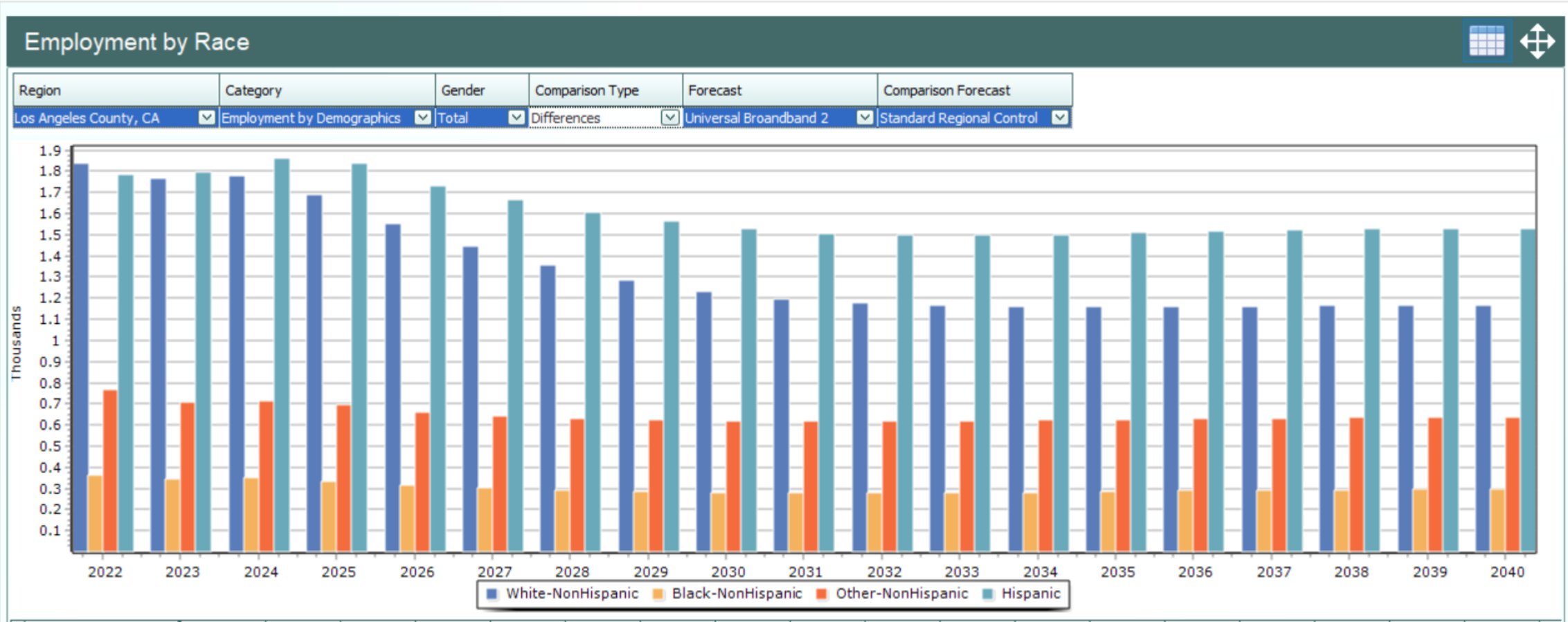# Compensation Rate by Industry Quintile (Atlanta, GA)

what does REMI say?™

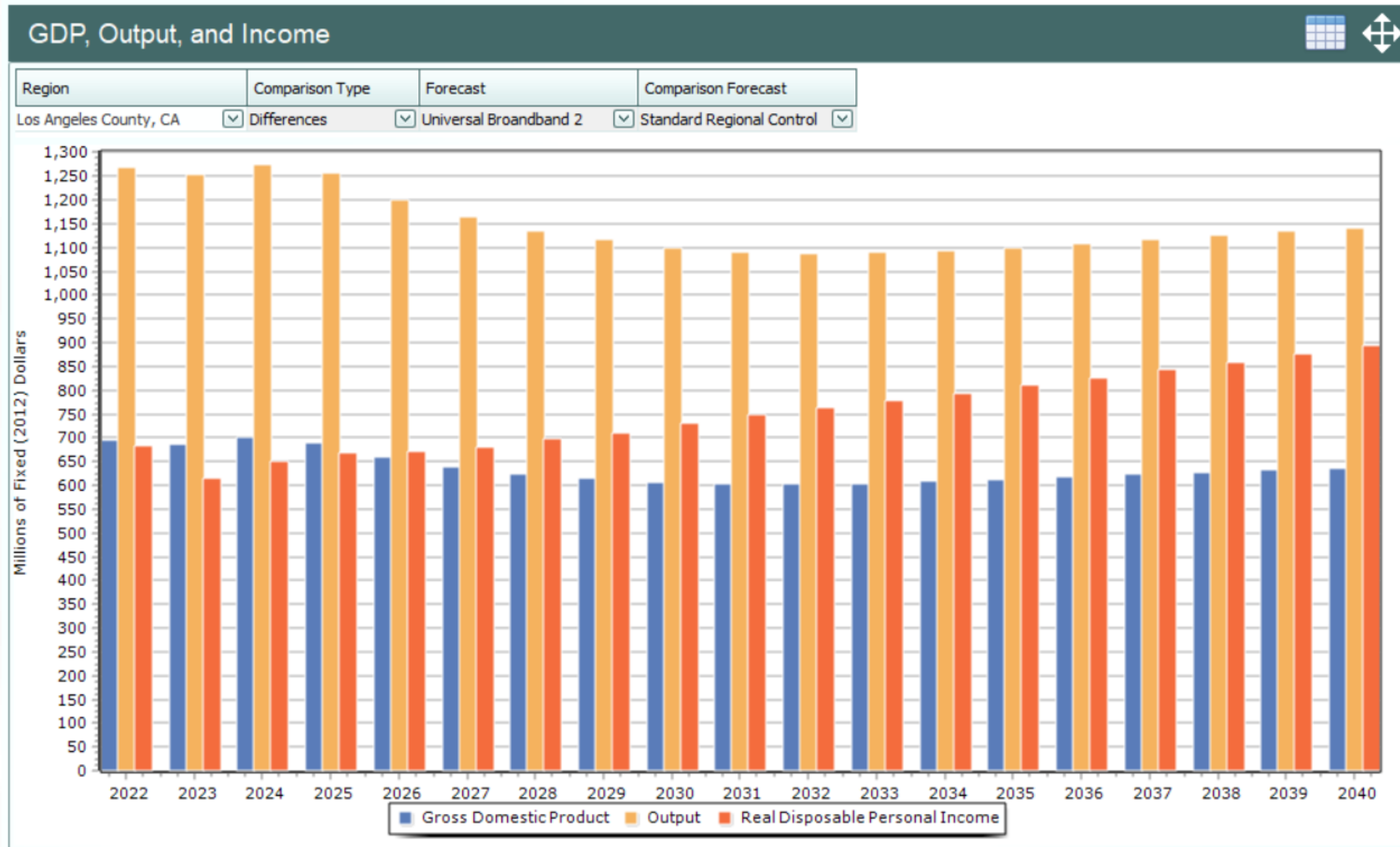# Employment by Industry Quintile (Atlanta, GA)

what does REMI say? sm

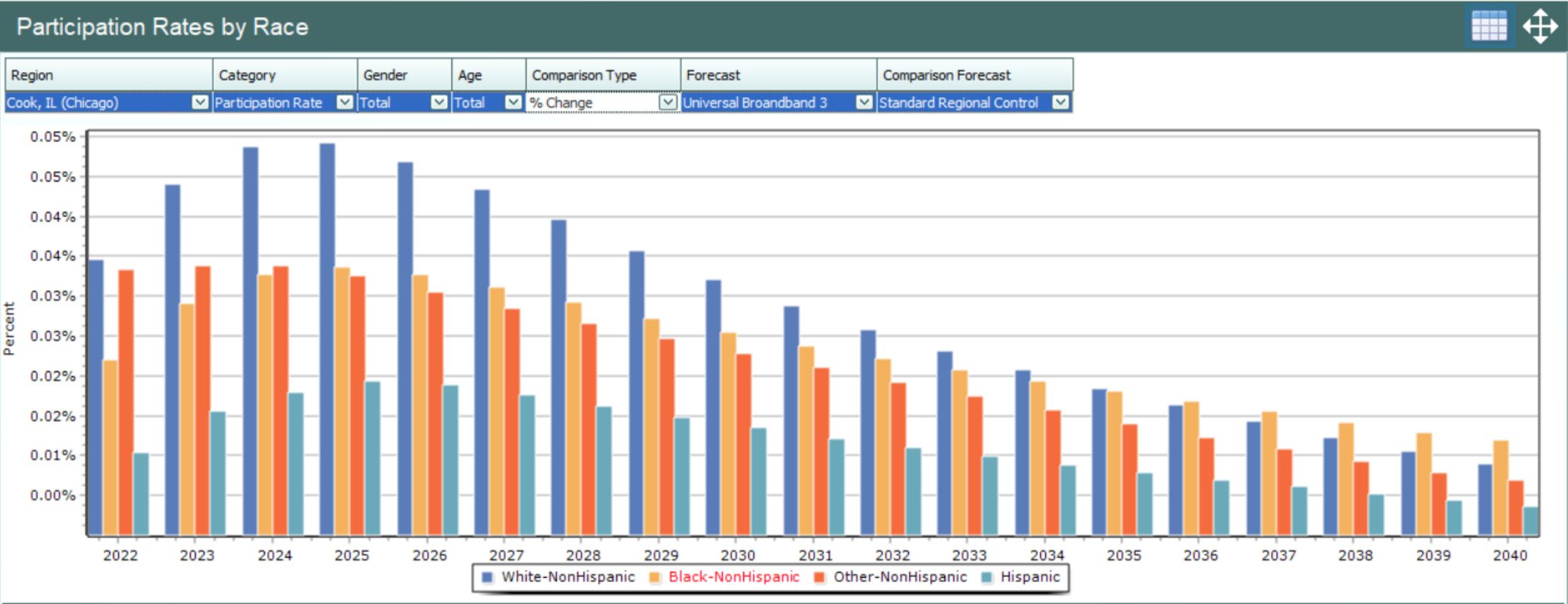# Employment by Race (Los Angeles, CA)

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GDP, Income, and Output (Los Angeles County, CA)

what does *REMI* say?[sm]

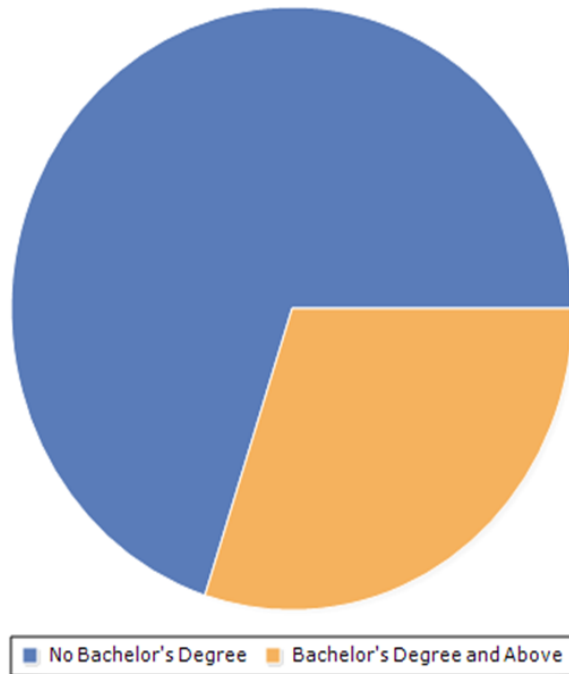# Participation Rates by Race (Chicago, IL)

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Employment by Educational Attainment (Chicago, IL)

2022
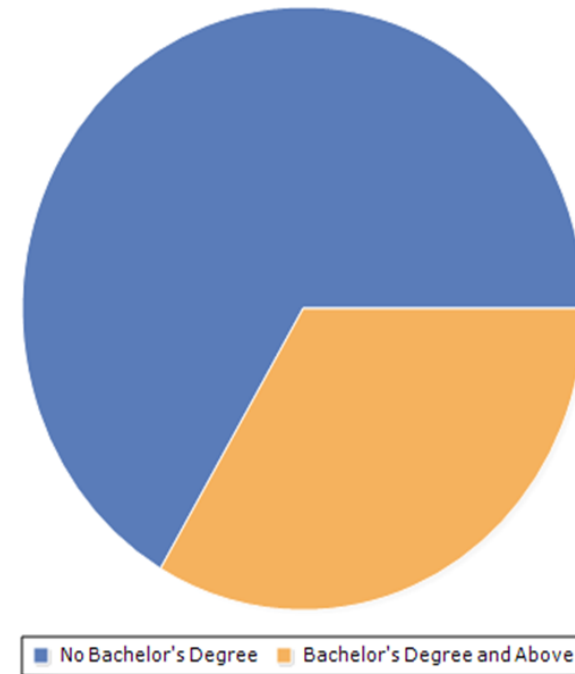
No Bachelor's Degree Bachelor's Degree and Above

2040

No Bachelor's Degree Bachelor's Degree and Above

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Conclusion and Key Points

Atlanta, GA

- Lower middle-class (Lowest and second 20%) and upper middle-class (fourth 20%) jobs saw the largest compensation rate differentials from 2022-2026
- The middle 20% of industries should be incentivized to steadily expand.

Chicago, IL

- Steady gains from all groups after the initial shock
- Workforce development measures may need to be implemented with the increase of jobs requiring bachelors degrees.

Los Angeles County, CA

- The overall "value-add" of the economy is consistent and positive. Yet output decreases over time.
- Policies may need to be introduced to promote a diverse workforce that includes all communities.

Overall

- Universal internet access must be evaluated from a socioeconomic perspective to understand all of the benefits
- Other policies that aim to bride to gap of social equity must be implemented to fully grasp the impact broadened connectivity.

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Economic Modeling: Why does it matter?

REMI

Clarify

- Understand economic, fiscal and demographic implications of policies before implementation
- Ensure that public policy serves the broad-based interests of the public

Predict

- Make predictions about the effects of policies before implementation
- Avoid unwanted negative impacts
- Make effective use of resources

Inform

- Inform policy with standard metrics rather than ideology or intention
- Address stakeholders with evidence that communicates how policy benefits or disadvantages their communities broadly

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Thank you for attending!

For more information, please contact
info@remi.com

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