

## EXECUTIVE SUMMARY

As the Internet increasingly affects the daily lives of Americans and the U.S. economy, one of the greatest changes in recent years has been the rapid uptake of broadband technologies. Between the Census Bureau's Current Population Surveys conducted in September 2001 and October 2003, the number of households with Internet connections grew by 12.6 percent. The data reveal that a transition is underway from dial-up to high-speed Internet connections. The use of high-speed Internet connections grew significantly between 2001 and 2003 and more than offset the decline in dial-up users. For this reason, this report focuses on what Americans are doing with their high-speed connections.

The dramatic uptake of broadband technologies has fueled the Nation's rising use of the Internet.

- The proportion of U.S. households with broadband Internet connections more than doubled from 9.1 percent in September 2001 to 19.9 percent in October 2003.
- In 2001, two-thirds of broadband households used cable modem service (66.4 percent). By October 2003, cable modem households dropped to 56.4 percent and 43.6 percent of broadband households were using other types of connections.
- Meanwhile, the proportion of dial-up households declined from 40.7 percent to 34.3 percent.

The report finds that broadband users are more likely to use the Internet more frequently and in a wider variety of ways.

- Among Internet users, those with broadband connections at home are more likely to be daily Internet users (66.1 percent) than those with dial-up service (51.1 percent).
- Persons with broadband at home also engage in more types of activities online, particularly in the areas of entertainment, banking, purchasing products or services, and obtaining information.

In addition, broadband usage is lower in rural than urban areas.

- A lower percentage of Internet households have broadband connections in rural areas (24.7 percent) than in urban areas (40.4 percent).

- Rural households with dial-up connections are significantly more likely than their urban counterparts to list "Not Available" as the reason they do not have a higher speed Internet connection (22.1 percent to 4.7 percent, respectively).