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# CORNHUSKER ECONOMICS

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## Use Of and Satisfaction with Home Broadband Service by Business Ownership

| Market Report | Yr Ago | 4 Wks Ago | 7/1/11 |
|---|---|---|---|
| ***Livestock and Products, Weekly Average*** | | | |
| Nebraska Slaughter Steers, 35-65% Choice, Live Weight | $91.13 | $106.09 | $111.93 |
| Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb. | 130.60 | * | 158.78 |
| Nebraska Feeder Steers, Med. & Large Frame 750-800 lb. | * | 126.99 | 138.35 |
| Choice Boxed Beef, 600-750 lb. Carcass | 155.32 | 177.74 | 178.54 |
| Western Corn Belt Base Hog Price Carcass, Negotiated | 75.70 | 88.28 | 97.40 |
| Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean | 82.56 | 89.26 | 97.56 |
| Slaughter Lambs, Ch. & Pr., Heavy, Wooled, South Dakota, Direct | 135.75 | 204.25 | 203.50 |
| National Carcass Lamb Cutout, FOB | 308.54 | 403.79 | 400.85 |
| ***Crops, Daily Spot Prices*** | | | |
| Wheat, No. 1, H.W. Imperial, bu. | 3.60 | 8.00 | 6.21 |
| Corn, No. 2, Yellow Omaha, bu. | 3.48 | 7.44 | 6.20 |
| Soybeans, No. 1, Yellow Omaha, bu. | 9.53 | 14.20 | 13.13 |
| Grain Sorghum, No. 2, Yellow Dorchester, cwt. | 5.55 | 11.95 | 9.71 |
| Oats, No. 2, Heavy Minneapolis, MN , bu. | 2.47 | 3.75 | 3.59 |
| ***Feed*** | | | |
| Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton. | 150.00 | 140.00 | 185.00 |
| Alfalfa, Large Rounds, Good Platte Valley, ton. | 75.00 | 87.50 | 135.00 |
| Grass Hay, Large Rounds, Good Nebraska, ton. | * | * | 95.00 |
| Dried Distillers Grains, 10% Moisture, Nebraska Average. | 88.50 | 207.50 | 190.00 |
| Wet Distillers Grains, 65-70% Moisture, Nebraska Average. | 31.00 | 71.50 | 70.00 |

*No Market

Technology is critical for businesses to remain competitive in this knowledge-based economy. Many businesses are home-based, making it necessary to have adequate Internet service at home. So how are business owners and farmers/ranchers currently using technology in their homes? Is their home Internet service meeting their needs?

The Nebraska Public Service Commission was awarded a grant from the Department of Commerce's National Telecommunications and Information Administration (NTIA) to conduct a study of broadband use and needs in Nebraska. The University of Nebraska-Lincoln conducted the survey for the Commission. In addition, the Nebraska Information Technology Commission (NITC) Community Council and Nebraska Department of Economic Development (DED) collaborated with the Commission on this survey.

Conducted in February and March of 2010 by the University of Nebraska-Lincoln Center for Applied Rural Innovation, the survey asked Nebraskans about their computer and Internet usage, their opinions about community technology resources and technology training needs. The 14-page survey was mailed to approximately 6,200 households (6,174 deliverable households out of the 6,600 initial list). A 47 percent response rate was achieved using the Total Design Method. This article focuses on responses received from persons owning a business, farm or ranch.

Just over one-fourth (29%) of the employed respondents own a business, farm or ranch. Five percent of the employed persons own both a farm or ranch and a business; seven percent own only a farm or ranch; and 17 percent own only a business. The majority (61%) of the businesses are located in the respondent's home.

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**Internet Service at Home**

Do farm, ranch and business owners have Broadband Internet service at home? For purposes of this study, broadband service is defined as any Internet service other than dial-up. Business owners are more likely than farmers and ranchers to have broadband service (Table 1 on next page). Approximately 86 percent of persons owning only a business, or persons owning both a farm/ranch and other type of business have broadband service. In comparison, 70 percent of farmers and ranchers have broadband service. And, slightly less than one in five farmers and ranchers (18%) do not have any Internet service.

Next, broadband service for business and farm/ranch owners was examined by their location in metropolitan or non-metropolitan counties. Farmers and ranchers in non-metropolitan areas are more likely than farmers and ranchers in metropolitan areas to have broadband service. Just under three-fourths (72%) of farmers and ranchers in non-metropolitan counties have broadband service, compared to 58 percent of farmers and ranchers in metropolitan counties. No statistically significant difference was detected for business owners by location.

The percentage of home-based businesses and businesses located outside the home that have broadband service at home, are statistically the same, 88 and 86 percent, respectively. However, home-based businesses located in non-metropolitan counties are more likely than those located in metropolitan areas to have broadband. Ninety-two percent of non-metropolitan home-based businesses have broadband service, compared to 83 percent of metropolitan home-based businesses.

Most businesses are satisfied with the speed, reliability and support of their home Internet service (Table 2 on next page). However, just under half (49%) of businesses are satisfied with the price of their home Internet service.

Given that farmers and ranchers are less likely than business owners to have broadband service, it comes as no surprise that they are less likely to express satisfaction with the speed of their Internet service. Less than half (48%) of farmers/ranchers are satisfied with the speed of their service, compared to 67 percent of business owners and 57 percent of persons owning both a farm/ranch and other type of business.

Business owners in metropolitan areas are more likely than those located in non-metropolitan areas to be satisfied with the speed of their home Internet service. Seventy-two percent of metropolitan business owners are satisfied with the speed of their home Internet service, compared to 62 percent of non-metropolitan business owners.

Similar to all businesses, most home-based businesses are satisfied with the speed (65%), reliability (70%), and support (64%) of their home Internet service. Just under half (49%) are satisfied with the price of their service. However, home-based businesses located in metropolitan areas are more likely than non-metropolitan home-based businesses to be satisfied with the speed of their Internet service. Just over three-fourths (76%) of metropolitan home-based businesses are satisfied with the speed of their Internet service, compared to 54 percent of non-metropolitan home-based businesses.

**Views of Internet Services in the Community**

Business owners are more likely than farm/ranch owners to be satisfied with the types of services available in their community or area (Table 3 on next page). Forty-five percent of business owners are satisfied with the types of services available in their community, compared to 34 percent of persons owning both a farm/ranch and other type of business, and 28 percent of persons owning only a farm or ranch. Many home-based businesses (40%) are satisfied with the types of Internet services available in their community. However, one-third (33%) express dissatisfaction with the types of services available.

The location of the business is related to the satisfaction with the types of services located in the community. Forty-six percent of metropolitan farmers or ranchers are satisfied with the types of Internet services located in their community, compared to 25 percent of non-metropolitan farmers or ranchers. Home-based businesses in non-metropolitan counties are more likely than those located in metropolitan areas to be *dissatisfied* with the types of Internet services available in their community or area. Forty percent of non-metropolitan home-based businesses are dissatisfied with the types of services available, compared to 24 percent of metropolitan home-based businesses.

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**Table 1. Internet Services at Home for Businesses**

| | Internet Service at Home | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Statewide | | | | | Metropolitan Counties | | | | Non-Metropolitan Counties | | | | |
| | None | Dial-up Only | Broadband Service | Don't Know | Sig. | None | Dial-up Only | Broadband Service | Don't Know | None | Dial-up Only | Broadband Service | Don't Know | Sig. |
| **Own Farm, Ranch or Business** | Percent | | | | | | | | | | | | | |
| **Farm and Business** | 4 | 6 | 86 | 5 | | 0 | 0 | 83 | 17 | 5 | 7 | 86 | 2 | ** |
| **Farm/Ranch Only** | 18 | 10 | 70 | 1 | | 8 | 33 | 58 | 0 | 19 | 8 | 72 | 2 | ** |
| **Business Only** | 8 | 4 | 87 | 1 | | 7 | 5 | 87 | 2 | 10 | 2 | 88 | 0 | |
| **Neither** | 9 | 3 | 87 | 1 | ** | 7 | 2 | 91 | 1 | 13 | 5 | 81 | 1 | ** |
| **Business Location** | | | | | | | | | | | | | | |
| **Home-Based** | 6 | 4 | 88 | 3 | | 7 | 4 | 83 | 6 | 5 | 3 | 92 | 0 | ** |
| **Not In Home** | 9 | 4 | 86 | 1 | | 4 | 4 | 91 | 0 | 12 | 5 | 82 | 2 | |

**Table 2. Satisfaction with Internet Service at Home for Business Owners**

| | Satisfaction with Internet Service at Home | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Statewide | | | | Metropolitan Counties | | | | Non-Metropolitan Counties | | | |
| | Price | Reliability | Speed | Support | Price | Reliability | Speed | Support | Price | Reliability | Speed | Support |
| **Own Farm, Ranch or Business** | Percent Very or Somewhat Satisfied | | | | | | | | | | | |
| **Farm/Ranch and Business** | 46 | 72 | 57 | 62 | 35 | 94 | 77 | 77 | 48 | 67 | 52 | 58 |
| **Farm/Ranch Only** | 50 | 62 | 48 | 55 | 42 | 64 | 55 | 55 | 51 | 62 | 47 | 55 |
| **Business Only** | 49 | 72 | 67 | 59 | 43 | 75 | 72 | 60 | 56 | 68 | 62 | 61 |
| **Neither** | 38 | 70 | 66 | 56 | 34 | 72 | 69 | 56 | 42 | 66 | 61 | 55 |
| ***Significance*** | ** | | ** | | | | | | | | | |
| **Business Location** | | | | | | | | | | | | |
| **Home-Based** | 49 | 70 | 65 | 64 | 43 | 73 | 76 | 67 | 53 | 68 | 54 | 61 |
| **Not In Home** | 48 | 76 | 67 | 55 | 41 | 83 | 66 | 50 | 53 | 70 | 67 | 59 |
| ***Significance*** | | | | ** | | | | | | | | |

**Table 3. Satisfaction with Internet Services in Community by Business Ownership**

| | Satisfaction with Services Available in Community or Area | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Statewide | | | | | Metropolitan Counties | | | | Non-Metropolitan Counties | | | | |
| | Dissatisfied | Neither | Satisfied | Don't Know | Sig. | Dissatisfied | Neither | Satisfied | Don't Know | Dissatisfied | Neither | Satisfied | Don't Know | Sig. |
| **Own Farm, Ranch or Business** | Percent | | | | | | | | | | | | | |
| **Farm/Ranch and Business** | 44 | 15 | 34 | 7 | | 41 | 24 | 35 | 0 | 45 | 14 | 33 | 8 | |
| **Farm/Ranch Only** | 39 | 11 | 28 | 23 | | 31 | 0 | 46 | 23 | 41 | 12 | 25 | 22 | |
| **Business Only** | 24 | 22 | 45 | 9 | | 20 | 26 | 44 | 10 | 29 | 17 | 45 | 9 | |
| **Neither** | 30 | 19 | 38 | 13 | ** | 28 | 19 | 40 | 13 | 34 | 20 | 34 | 12 | ** |
| **Business Location** | | | | | | | | | | | | | | |
| **Home-Based** | 33 | 20 | 40 | 8 | | 24 | 25 | 41 | 10 | 40 | 16 | 38 | 6 | ** |
| **Not In Home** | 23 | 20 | 46 | 10 | | 18 | 27 | 49 | 7 | 26 | 17 | 45 | 12 | |