



[Initial Estimates Show Digital Economy Accounted for 6.5 Percent of GDP in 2016](#)

In a [report and data](#) released March 15, 2018 by the U.S. [National Telecommunications and Information Administration](#) NTIA, together its sister agency, the U.S. [Bureau of Economic Analysis](#) (BEA), both located within the [United States Department of Commerce](#), it is demonstrated that from 2006 to 2016, the digital economy grew at an average annual rate of 5.6 percent, outpacing overall U.S. economic growth of 1.5 percent per year.

[The Report](#) released, for the first time, preliminary statistics and an accompanying report exploring the size and growth of the digital economy. Goods and services that are primarily digital accounted for 6.5 percent of the U.S. economy, or \$1.2 trillion, in 2016, after a decade of growing faster than the U.S. economy overall.

In 2016, the digital economy supported 5.9 million jobs, or 3.9 percent of total U.S. employment. Digital economy employees earned \$114,275 in average annual compensation compared with \$66,498 per worker for the total U.S. economy.

BEA includes in its definition of the digital economy three major types of goods and services:

- the digital-enabling infrastructure needed for an interconnected computer network to exist and operate
- the e-commerce transactions that take place using that system
- digital media, which is the content that digital economy users create and access.

Under this definition, that includes goods and services, such as computer hardware and software, telecommunications services, margins on retail e-commerce transactions, and subscriptions to online streaming services, to name a few.

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The OCC has been affiliated with the NTIA since 2009 when the American Recovery and Reinvestment Act of 2009 (ARRA) stimulus grant funding package was announced. The OCC, including the State Broadband Office (SBO) located within the OCC, was instrumental in filing

two successful applications for broadband funding, resulting in awards of \$4 million for GIS mapping of accessibility and \$94 million for completion of the state education and public safety fiber networks. The OCC was project manager for the State Broadband Initiative NTIA grant of \$4 million, on behalf of the official grantee, the Public Utilities Regulatory Authority (PURA), from 2010-2015 when the grant program funding was fully expended and the program discontinued.

The OCC and SBO continue to act on behalf of the state of Connecticut to educate and call-to-action internet access consumers by developing and communicating a statewide public policy vision focused on expanding broadband Internet access and adoption for all residents, businesses (large and small) and community anchor institutions. Our statutory mission ([C.G.S. § 16-2a \(c\)](#)) provides that we “work to facilitate the availability of broadband access to every state citizen and to increase access to and the adoption of ultra-high-speed gigabit capable broadband networks.”

It is clear that these public policy goals include being a catalyst for expanding affordable broadband internet access for all citizens as an essential foundation for increasing Connecticut’s high tech innovation capacity and economic growth, factors that are critical to the state’s competitiveness in the 21st century global digital economy. We recognize that market conditions, funding, and perceptions need to be addressed on an ongoing basis to channel the resources and commitment necessary for Connecticut to compete on the highest levels. As internet access becomes an indispensable public utility like electricity, water, and roads, it is ever more crucial for the state and local governments to lead the way to making sure the affordable broadband access needs of business, education, health care, and public safety are fully met.

The NTIA is the Executive Branch agency that is principally responsible by law for advising the President on telecommunications and information policy issues. The BEA is a U.S. government agency that provides official macroeconomic and industry statistics, most notably reports about the gross domestic product (GDP) of the United States and its various units—states, cities/towns/townships/villages/counties and metropolitan areas.



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