



KEY FINDINGS

Real Broadband Prices Continue to Decline Year Over Year

Over the Past Eight Years, Real Broadband Prices Dropped by Half

Upload and Download Speeds Continue to Get Faster

Purchasing Power of Consumer Broadband Dollar Grows

Consumers Continue to See Gains in Broadband Value



he fourth installment of USTelecom's Broadband
Pricing Index (BPI) shows that real prices for the most
popular and the fastest broadband internet services
continue to decline—even as upload and download
speeds rapidly advance. This is in contrast to what consumers
and their wallets are typically experiencing across the board with
other goods and services.

As in previous years, the BPI uses FCC and other public data sources to assess recent trends in residential fixed broadband pricing in the United States. The 2023 edition of the BPI compares prices over two time intervals: (1) the price difference between 2022 and 2023; and (2) a longer-term view in price changes

between 2015² and 2023. In both cases, the BPI creates an index that allows comparisons between the most popular speed tiers in each year (BPI-Consumer Choice) and the highest speed tiers in each year (BPI-Speed).

The **BPI-Consumer Choice** compares providers' *most popular* speed tier of broadband service in a given year to their most comparable 2023 service.³

The **BPI-Speed** compares providers' fastest speed tier option in a given year to the comparable plan in 2023.

REAL BROADBAND PRICES CONTINUE TO DECLINE YEAR OVER YEAR

From 2022 to 2023, adjusted for inflation:

The price of providers' most popular broadband speed tier (Real BPI-Consumer Choice) **dropped by 18.1%**.

The price of providers' fastest speed tier option (Real BPI-Speed) **dropped by 6.5%**.

Even without factoring in inflation:

Broadband prices continue to substantially lag the rising cost of overall consumer goods and services, which climbed 4.9% from March 2022 to March 2023.⁴ Table 1: NOMINAL U.S. BROADBAND PRICE YEAR-OVER-YEAR COMPARISON

BPI-CONSUMER CHOICE			
PRICE 2022 \$45.97	CHANGE -10.1%		
PRICE 2023 \$41.31			

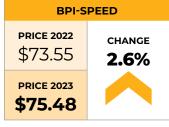
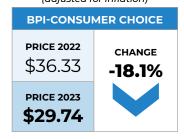


Table 2: REAL
U.S. BROADBAND PRICES
YEAR-OVER-YEAR COMPARISON*
(adjusted for inflation)





^{*} Measured in constant 2015 dollars to allow for even comparisons throughout the report.

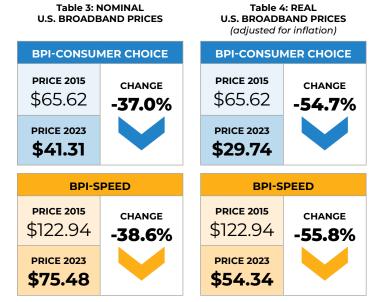
OVER THE PAST EIGHT YEARS, REAL BROADBAND PRICES DROPPED BY HALF

From 2015 to 2023:

Real BPI-Consumer Choice tier prices dropped by 54.7%.

Real BPI-Speed tier prices **dropped by 55.8%.**

The U.S. weighted average nominal price for the most popular speed tiers by subscription has decreased by 37% over the past eight years and the weighted average price for the fastest speed tiers has decreased by 38.6%. When accounting for inflation, the decreases in real prices for these services are 54.7% and 55.8%, respectively.⁵



UPLOAD AND DOWNLOAD SPEEDS CONTINUE TO GET FASTER

The speeds consumers receive for their broadband dollar are substantially faster than they were eight years ago. Within the same categories, BPI-Consumer Choice and BPI-Speed, since 2015:

The download speeds offered in the most popular tier **increased by 141.5%** while upload speeds **increased by nearly 285%.**

In the fastest-offered tier, download speeds increased by 117.1% with upload speeds up by nearly 90%.

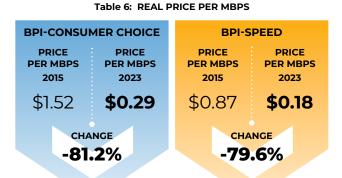
Table 5: SPEEDS OF MOST POPULAR AND FASTEST BROADBAND SERVICES

BPI-CONSUMER CHOICE				
	WEIGHTED MBPS DOWNLOAD SPEED		CHTED MBPS OAD SPEED	
2015 43	_{GROWTH}	2015 13	growth 284.6%	
²⁰²³		²⁰²³ 50		

BPI-SPEED					
	HTED MBPS LOAD SPEED		CHTED MBPS OAD SPEED		
2015 747	growтн 117.1%	2015 51	growтн 89.6%		
²⁰²³ 306		²⁰²³ 96.7			

PURCHASING POWER OF CONSUMER BROADBAND DOLLAR GROWS

The combination of rising speeds and lower prices has translated into an approximately 80% drop over the past eight years in the real price per megabit for the most popular and fastest service offerings—allowing many consumers to do far more with their broadband service than ever before.



CONSUMERS CONTINUE TO SEE GAINS IN BROADBAND VALUE

The value and affordability of consumer broadband services stands in marked contrast to the impact of inflation on other essential consumer goods and services. Overall, from 2015 to 2023:

The cost of consumer goods and services rose by 28%, according to the CPI-U.6

This stands in sharp contrast to the **37% and 39% reductions for prices of BPI-Consumer Choice and BPI-Speed**, respectively, over that same period.

Table 7: 8-YEAR COMPARISON OF CONSUMER PRICE INDEX FOR ESSENTIAL GOODS & SERVICES FROM 2015-2023**

	MARCH 2015	MARCH 2023	PRICE CHANGE
OVERALL CPI-U	\$236.12	\$301.84	27.8%
HEALTH INSURANCE	\$122.34	\$167.61	37 %
CAR INSURANCE	\$455.37	\$677.44	48.8%
RENT	\$283.13	\$391.68	36.1%
COLLEGE TUITION & FEES	\$775.43	\$916.07	18.1%
FOOD & BEVERAGE	\$245.69	\$318.34	29.6%
BPI-SPEED (Nominal)	\$122.94	\$75.48	-38.6%
BPI-CONSUMER CHOICE (Nominal)	\$65.62	\$41.31	-37.0%

^{**}Source: CPI-U March 2023 v. March 2015

METHODOLOGY

This research analyzes residential broadband prices across three wired technologies (cable, DSL, and FTTH) from 2015 to 2023. Using the FCC's Urban Rate survey,⁷ the 14 largest U.S. wireline broadband providers were selected to benchmark comparable offerings over time. They include the top seven telecom and top seven cable companies by subscriber count and account for over 90% of all terrestrial broadband services sold in the U.S.:

- Telecom: AT&T, Consolidated, Frontier, Lumen, TDS, Verizon, and Windstream
- Cable: Altice,⁸ Cable One, Charter, Comcast, Cox, Mediacom, and WOW

The next step in constructing the Broadband Price Index is to establish proper weights for each provider. These are calculated by applying the broadband subscriber market share in 2015 and 2023 for each provider in the given technology (cable, FTTH, and DSL). These weights are averaged over the two periods⁹ then multiplied by the price for that specific offering in that year, and the resulting sum becomes each company's contribution to the overall index from 2015 to 2023. These weights represent a provider's aggregate market share and not market share at a particular service speed.

BPI-CONSUMER CHOICE

The FCC's June 2015 Internet Access Report¹⁰ shows the distribution of residential fixed connections by download speed tier and technology. The "consumer choice" download speed for each technology is the speed interval that has the most connections. FTTH and cable's most popular speeds were between 25 Mbps and 100 Mbps. Most DSL connections, a declining contributor to the technology mix by 2023, were between 3 Mbps and 10 Mbps.

BPI-Consumer Choice uses the 2023 service offering most comparable to each company's 2015 dominant speed offering.

Example: FCC data in 2015 indicates one company's most popular offering found in the 25 Mbps to 100 Mbps range was 70 Mbps down/6 Mbps up at a price of \$100.00 per month. By 2023, the provider's next closest offering was 100 Mbps down/10 Mbps up at \$55.00 per month—a 45% price reduction in nominal terms and 57% decrease when adjusted for inflation. In this time period, the download speed increased by 43% and the upload by 67% for the comparable offering.

This exercise is repeated for each company and the results are average weighted by each provider's market share for the two periods and then aggregated into the "overall weighted price."

BPI-SPEED

The BPI-Speed compares each company's fastest 2015 service to its most comparable 2023 service.

Since broadband speeds vary by provider and improve over time, BPI-Speed uses the 2023 service offering most comparable to each company's 2015 highest speed service.

Example: One company's fastest service in 2015 was 100 Mbps down/5 Mbps up at a price of \$114.99 per month. In 2023, that provider offered faster services. The closest benchmark to that service found in the FCC survey in 2023 is 300 Mbps down/10 Mbps up at a price of \$74.99. Download speeds tripled and upload speeds doubled. The nominal consumer price tag drops in nominal terms by 34.8% and decreases by 49% when adjusted for inflation.

This exercise is repeated for each company by technology and the results are weighted by the average of each provider's market share in both years and then aggregated into the overall weighted price.

INFORMATION SOURCES

Publicly available current and past prices of broadband by technology are found in the FCC's annual survey of urban rates. The FCC's Urban Rate Survey collects pricing information by provider for stand-alone residential broadband services as well as by download/upload speed and by technology. This FCC data is a reasonable proxy for nationwide broadband pricing because it is the benchmark utilized for fixed voice and broadband services for the federal universal service program.

The contribution of each company to the overall price of broadband was derived from two primary inputs: (1) the FCC's 2015 and 2023 rate surveys, and (2) the average number of broadband subscribers by provider and technology for 2015 and 2023. Subscriber counts are largely sourced from the Leichtman Research Group. Adjustments have been made to 2015 and 2023 subscribers using SEC, investor relations, and FCC sources to reconcile for updates, mergers, spinoffs, and technology segmentation.

ABOUT THE AUTHOR

Arthur Menko, the founder of Telcodata and Business Planning, Inc., has been providing telecom and broadband research and consulting services since 1984. He has extensive industry background in the economic, regulatory, infrastructure, reliability and competitive market research areas. In recent years, he has concentrated in fixed broadband deployment and adoption analytics and policy research matters.

ENDNOTES

- 1 Specifically, as in the past, this report develops two metrics for examining broadband pricing by making use of the FCC's Urban Rate Survey. This data set contains nearly 12,200 plan observations in 2023 and is statistically constructed to represent an accurate profile of a mix of U.S. broadband prices at various speeds/technologies and fixed providers (small and large) throughout the entire country.
- 2 When the first Broadband Pricing Index was published in 2020, we did a five-year look back to 2015 to see how broadband pricing and service had evolved over that span. We continue to use 2015 as our benchmark to chart the industry's progress.
- 3 These providers account for over 90% of all terrestrial fixed broadband services sold in the U.S.
- 4 National price inflation is measured by the BLS CPI-U index, which increased from 287.50 in March 2022 to 301.84 in March 2023.
- 5 National price inflation is measured by the BLS CPI-U index, which increased from 236.12 in March 2015 to 301.84 in March 2023.
- 6 All BPI price-related calculations in this report are adjusted for inflation using the Consumer Price Index (CPI-U)—a barometer of overall urban U.S. inflation.
- 7 FCC, Urban Rate Survey Data & Resources (2023) https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources.
- 8 Altice has been split into its two pre-merger organizations, CSC (Cablevision) and Suddenlink, since the FCC rate survey identifies them separately.
- 9 The analysis used the Marshall-Edgeworth weighting methodology to construct the price index.
- 10 Internet Access Services as of 06/30/15, Federal Communications Commission, August 2018; available at: https://docs.fcc.gov/public/attachments/DOC-342358A1.pdf.