

2024 BROADBAND PRICING INDEX

Broadband Prices Continue to Decline As Consumers Choose Faster Speeds

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KEY FINDINGS

55% of Broadband Customers Choose 100-940 Mbps Service (BPI-Speed)

Real BPI-Speed Prices Dropped 9.4% Year Over Year and 60% Since 2015

New BPI-Gigabit Tracks Pricing Trends at Higher Speeds

Broadband Price Drops Contrast Sharply With 32.2% Inflation Since 2015

Broadband Purchasing Power Further Fueled by Faster Speeds



The fifth installment of USTelecom's Broadband Pricing Index (BPI) shows that prices for high-speed broadband internet services continue to decline—even as upload and download speeds rapidly advance. Thanks to the world-leading pace of broadband infrastructure investment by the U.S. private sector¹ and an intensive focus on fiber deployments, consumers have never had a stronger value proposition for their connectivity dollar.

When this index launched in 2020, the BPI-Consumer Choice metric focused on the most popular broadband speed tier at the time (25-100 Mbps), while the BPI-Speed metric focused on the faster service tier at the time (≥ 100 Mbps). These ranges were consistent with the Federal Communications Commission's then-benchmark for high-speed fixed broadband availability, which was 25/3 Mbps.

Fast forward to the most recent FCC internet access services data and most residential subscribers opt for substantially faster service between 100 Mbps and 940 Mbps.² This year's BPI follows consumers' lead, tracking pricing trends for broadband service between 100 Mbps and 940 Mbps (BPI-Speed) and launching a new BPI-Gigabit metric, which will track pricing trends for service offerings between 940 Mbps and 1 Gbps. Similar to other broadband offerings, as more providers enter the gigabit market and fiber becomes more widely available, prices have significantly declined, delivering growing value to consumers.

The market evolutions tracked by the Broadband Pricing Index reflect a nearly decade-long journey of dramatically enhanced consumer services, choices and purchasing power in a competitive broadband marketplace—a story that continues with a compelling new chapter in 2024.





BPI-Speed focuses on pricing trends for services selected by the majority of U.S. consumers. According to the most recent FCC data, 55.4% of consumers purchased service between 100 Mbps and 940 Mbps as of December 2023.

BPI-Gigabit tracks pricing trends for providers' faster speed offerings. In 2024, this refers to services ranging between 940 Mbps and 1 Gbps. As of December 2023, 25.1% of U.S. consumers opted for service in this speed range.

REAL PRICES FOR MOST POPULAR BROADBAND SERVICES DOWN 9.4% YEAR OVER YEAR

From 2023 to 2024, adjusted for inflation:





- The price of providers' most popular services between 100 Mbps and 940 Mbps (BPI-Speed) **dropped by 9.4%**.
- The price of providers' BPI-Gigabit service offerings **declined by 3.9%**.

BPI-SPEED				BPI-GIGABIT			
NOMINAL		REAL (Inflation-adjusted)		NOMINAL		REAL	
PRICE 2023	CHANGE	PRICE 2023	CHANGE	PRICE 2023	CHANGE	PRICE 2023	CHANGE
\$75.48	-3.8%	\$54.34	-9.4%	\$97.30	1.4%	\$74.43	-3.9%
PRICE 2024		PRICE 2024		PRICE 2024		PRICE 2024	
\$72.58		\$49.25		\$98.68		\$71.54	

REAL PRICES FOR MOST POPULAR BROADBAND SERVICES DOWN 60% SINCE 2015

- Real prices for BPI-Speed offerings (between 100 Mbps and 940 Mbps) **dropped by 59.9%** (2015-2024).
- Real prices for BPI-Gigabit services **declined by 43%** (2017-2024).³



U.S. BROADBAND PRICES LONG-TERM COMPARISONS

BPI-SPEED				BPI-GIGABIT			
NOMINAL		REAL (Inflation-adjusted)		NOMINAL		REAL (Inflation-adjusted)	
PRICE 2015	CHANGE	PRICE 2015	CHANGE	PRICE 2017	CHANGE	PRICE 2017	CHANGE
\$122.94	-41.0%	\$122.94	-59.9%	\$125.53	-21.4%	\$125.53	-43.0%
PRICE 2024		PRICE 2024		PRICE 2024		PRICE 2024	
\$72.58		\$49.25		\$98.68		\$71.54	

UPLOAD AND DOWNLOAD SPEEDS ACCELERATE


Upload and download speeds for the most popular consumer broadband service offerings between 100 Mbps and 940 Mbps (BPI-Speed) have dramatically accelerated since 2015.


- Download speeds for these services **increased by 113.5%**, while upload speeds **increased by 88.5%**.

BPI-SPEED ACCELERATION			
WEIGHTED MBPS DOWNLOAD SPEED		WEIGHTED MBPS UPLOAD SPEED	
2015 141	CHANGE 113.5% 	2015 51	CHANGE 88.5% 
2024 301		2024 96	

CONSUMER PURCHASING POWER KEEPS GROWING

The combination of rising speeds and lower prices have dramatically reduced the real price per megabit for both BPI-Speed and BPI-Gigabit service offerings—allowing consumers across both categories to take advantage of more bandwidth-intensive activities, from remote health care and education to video streaming and gaming to advances in AI.

BPI-SPEED IN REAL 2015 DOLLARS	
PRICE PER MBPS	
PRICE 2015 \$0.87	CHANGE -81.2% 
PRICE 2024 \$0.16	

BPI-GIGABIT IN REAL 2017 DOLLARS	
PRICE PER MBPS	
PRICE 2017 \$0.13	CHANGE -43.0% 
PRICE 2024 \$0.07	

BROADBAND PRICES LAG FAR BEHIND OVERALL INFLATION

The enduring value and affordability of consumer broadband services stands in notable contrast to the impact of inflation in recent years on other essential consumer goods and services.

Prices for the most popular broadband service offerings (BPI-Speed) declined dramatically in recent years, even as overall inflation soared from 2015 to 2024:

- ▶ The cost of consumer goods and services **rose by 32.2%**, according to the CPI-U.⁴
- ▶ Meanwhile, BPI-Speed prices for services between 100 Mbps and 940 Mbps **declined by 41%**.

BPI-SPEED COMPARISON OF CONSUMER PRICE INDEX FOR ESSENTIAL GOODS & SERVICES (2015-2024)

	MARCH 2015	MARCH 2024	PRICE CHANGE
OVERALL CPI-U	\$236.12	\$310.36	32.2%
CAR INSURANCE	\$455.37	\$821.87	80.5%
RENT	\$283.13	\$413.60	46.1%
COLLEGE TUITION & FEES	\$775.43	\$927.51	19.6%
FOOD & BEVERAGE	\$245.69	\$325.65	32.5%
BPI-SPEED (Nominal)	\$122.94	\$72.48	-41.0%

Gigabit broadband prices declined from 2017 to 2024:

- ▶ The overall cost of consumer goods and services **rose by 27.5%**. Meanwhile BPI-Gigabit prices **fell by 21.4%**.

BPI-GIGABIT COMPARISON WITH CONSUMER PRICE INDEX FOR ESSENTIAL GOODS & SERVICES (2017-2024)

	MARCH 2017	MARCH 2024	PRICE CHANGE
OVERALL CPI-U	\$243.41	\$310.36	27.5%
CAR INSURANCE	\$517.62	\$821.87	58.8%
RENT	\$307.45	\$413.60	34.5%
COLLEGE TUITION & FEES	\$814.02	\$927.51	13.9%
FOOD & BEVERAGE	\$248.97	\$325.65	30.8%
BPI-GIGABIT (Nominal)	\$125.53	\$98.68	-21.4%

METHODOLOGY

BPI-SPEED

BPI-Speed uses FCC and other public data to assess recent trends in U.S. residential fixed broadband pricing for services ranging from 100 Mbps to 940 Mbps.⁵ This index compares prices over two time intervals: (1) year over year; and (2) from a 2015 baseline⁶ to 2024.

This research analyzes residential broadband prices across wired technologies from 2015 to 2024. Using the FCC's Urban Rate survey,⁷ the 14 largest U.S. wireline broadband providers (Peer Providers) were selected to benchmark comparable offerings over time. They include the top seven cable and top seven telecom companies by subscriber count and account for over 90% of all terrestrial broadband services sold in the U.S.:

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

The next step in constructing the BPI-Speed is to establish proper weights for each provider. These are calculated by applying the broadband subscriber market share in 2015 and 2024 for each provider in the given technology (cable, FTTH and DSL). These weights are averaged over the two time periods, 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 2024. These weights represent a carrier's aggregate market share and not market share at a particular service speed.

The BPI-Speed compares each company's fastest 2015 service to its most comparable 2024 service with download speeds between 100 Mbps and 940 Mbps.

Since broadband speeds vary by provider and improve over time, BPI-Speed uses the 2024 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 2024, that provider offered faster services. The closest benchmark to that 2015 service found in the 2024 FCC survey is 300 Mbps down/10 Mbps up at a price of \$79.99. Download speeds tripled and upload speeds both doubled. The nominal consumer price tag dropped in nominal terms by 30.4% and by 52.8% 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."

BPI-GIGABIT

This new index tracks how prices have evolved over the past seven years. The year 2017 has been chosen as the base year because it is the first year that some Peer Providers registered gigabit plans in the FCC's Urban Rate Survey. The BPI defines Peer Providers as the 14 companies representing 90% of fixed broadband subscribers.

The BPI-Gigabit criteria selected are:

1. Symmetrical 1 Gigabit speeds or 940 Mbps down and 880 Mbps up.
2. Unlimited usage.
3. FCC Urban Rate Survey data.

From 2017 to 2024, many more providers registered gigabit offerings according to these criteria. In 2017, there were 12 offerings that met the criteria. By 2024, the field grew dramatically to 923. Unlike the BPI-Speed metric, gigabit offerings are unweighted by the number of subscribers. Every offering in the FCC's survey that meets the criteria is included.

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, 2017 and 2024 rate surveys, and (2) the average number of broadband subscribers by provider and technology for 2015, 2017 and 2024. Subscriber counts are largely sourced from the Leichtman Research Group. Adjustments have been made to 2015, 2017 and 2024 subscribers using SEC, investor relations and FCC sources to reconcile for updates, mergers, spin-offs 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 Broadband Capex Report, USTelecom, October 18, 2024; available at: <https://ustelecom.org/research/2023-ustelecom-broadband-capex-report/>
- 2 Internet Access Services as of 12/31/23, Federal Communications Commission, September 2024; available at: <https://docs.fcc.gov/public/attachments/DOC-405488A1.pdf>.
- 3 2017 has been chosen as the base year for this study because it is the first year that some Peer Providers registered gigabit plans in the FCC's Urban Rate Survey.
- 4 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.
- 5 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 13,133 plan observations in 2024 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. The FCC's Urban Rate Survey considers only residential fixed broadband prices, while the Bureau of Labor and Statistics considers bundled services and their related voice and television offerings. All years refer to the year the data was reported.
- 6 When the first BPI 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 BPI-Speed and the industry's progress.
- 7 Urban Rate Survey Data & Resources, Federal Communications Commission, 2024; available at: <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.