



eReadiness Maryland
Assessing Our Digital Opportunities

eReadiness Maryland

Assessing Our Digital Opportunities

-Presentation to Economic Development Officials at MACo Conference-

**Funded in part by the U.S. Department of Commerce –
Economic Development Administration (EDA) and the State of Maryland**

August 15, 2002

Ocean City, MD



eReadiness Maryland
Assessing Our Digital Opportunities





eReadiness Maryland
Assessing Our Digital Opportunities

National Perspective

Why is broadband so important? Below are some recent indicators that reveal the economic value of the Internet and information technologies during the last decade from IT-producing industries (which represent only 7% of all businesses).

- ❖ Accounted for roughly 28% of overall real economic growth between 1996-2000;
 - ❖ Created jobs twice as fast as the national average from 1992-2000, jobs with high economic impact because they paid on average twice as much as other private sector jobs;
 - ❖ Reduced overall inflation. From 1989 to 2000, inflation in IT-intensive industries was just 1.3% per year on average, compared with 3% in less-IT intensive industries; and
 - ❖ Improved American productivity. IT products and IT-producing industries have contributed roughly two-thirds of the extraordinary American productivity growth that appeared in the latter half of the 1990s. And it's worth noting that this productivity endures. During each of the previous eight recessions, productivity growth has turned negative. By contrast, during the economic downturn of 2001, productivity growth has remained robust at 1.9%.
- ❖ Source : U.S. Department of Commerce, Economic & Statistics Administration – January 2002



eReadiness Maryland
Assessing Our Digital Opportunities

-Project Goals-

The project will achieve the following:

- **Identify Infrastructure** – lay the groundwork for continued private/public investment in information technology infrastructure and utilization by identifying current/future needs.
- **Regional Performance** – determine each region’s strengths and weaknesses in terms of capacity, access and use of the information infrastructure.
- **Build Action Agendas for Progress** – develop state and regional action agendas to boost capacity in the digital economy and economic viability across regions.
- **Evaluate Progress** – measure progress on achieving goals.

Goals will be achieved by assessing and mapping network infrastructure/access, real-time testing of current network performance and analysis of in-depth business and household surveys on IT usage statewide.



eReadiness Maryland
Assessing Our Digital Opportunities

Business Survey Methodology

A total of 1,126 telephone interviews were completed statewide by the Survey Research Center at College Park. The SRC is under the umbrella of the Sociology Department.

A letter from the Lt. Governor was sent to each sampled business that did not cooperate with the first caller, explaining the purpose of the survey, its sponsorship and assuring confidentiality of responses. **This greatly improved the cooperation rate for this project (see attached).**

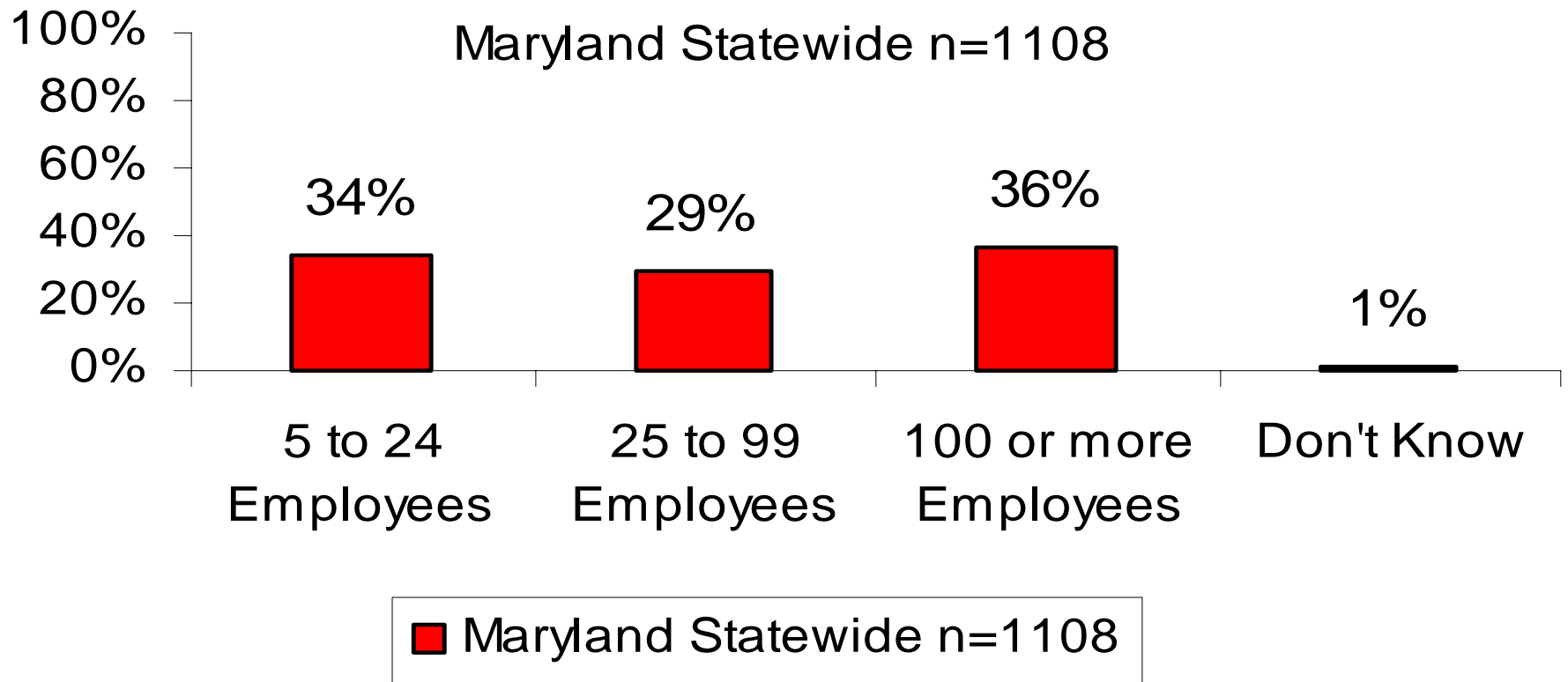
Of all respondents contacted, 70% agreed to be interviewed. This is an exceptional interview “cooperation rate.” Of all businesses identified as eligible— whether or not a respondent was contacted— interviews were completed at a rate of 51% percent. This is a very good “response rate” for a business survey.

During the data collection period, the data were checked on a regular basis to ensure that there were not excessive missing items or any other data quality problems.

Business Survey – Sample of Questions Asked

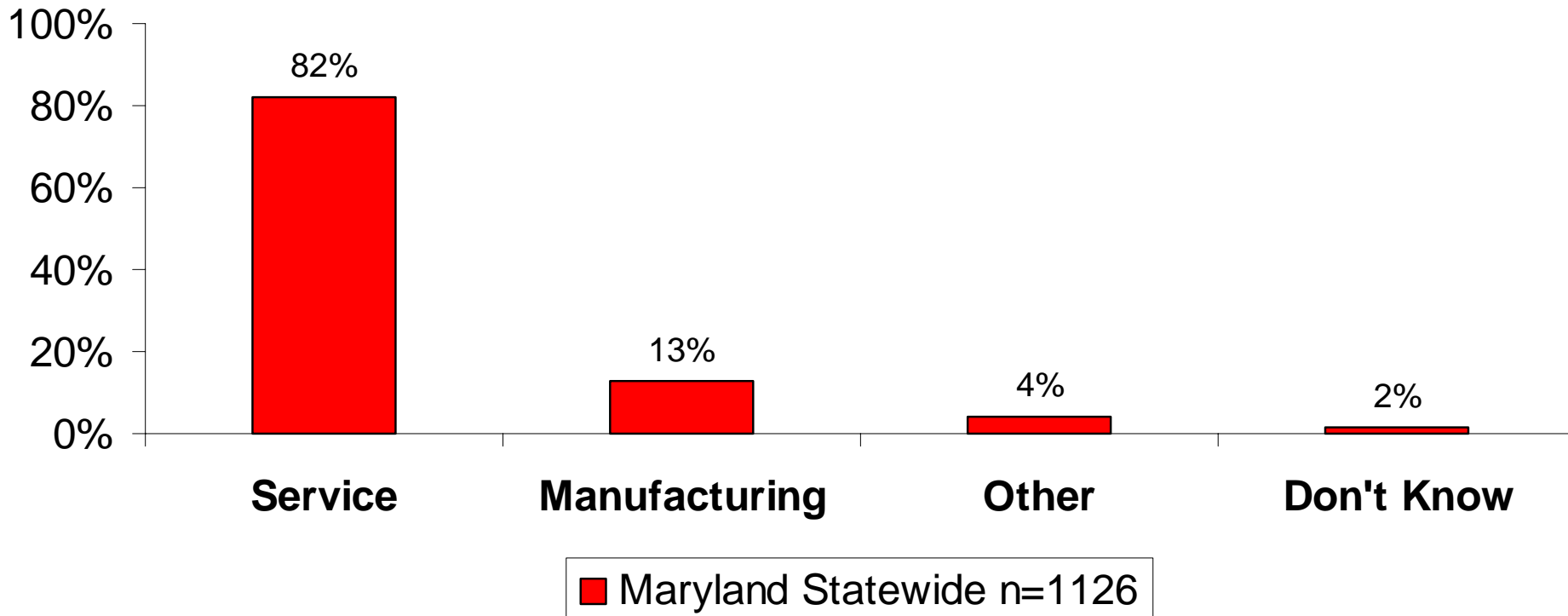
- 1. Does Your Company Use Computers and Computer Networks?**
- 2. Does Your Company Use the Internet?**
- 3. What Mode Of Internet Access Do You Use?**
- 4. How Many Employees, Type of Business, and Annual Revenue?**
- 5. Does This Location Make Sales over the Internet?**
- 6. Has the Internet Increased Your Productivity?**
- 7. Respondents Answered up to 35 Questions**

Who Was Interviewed?

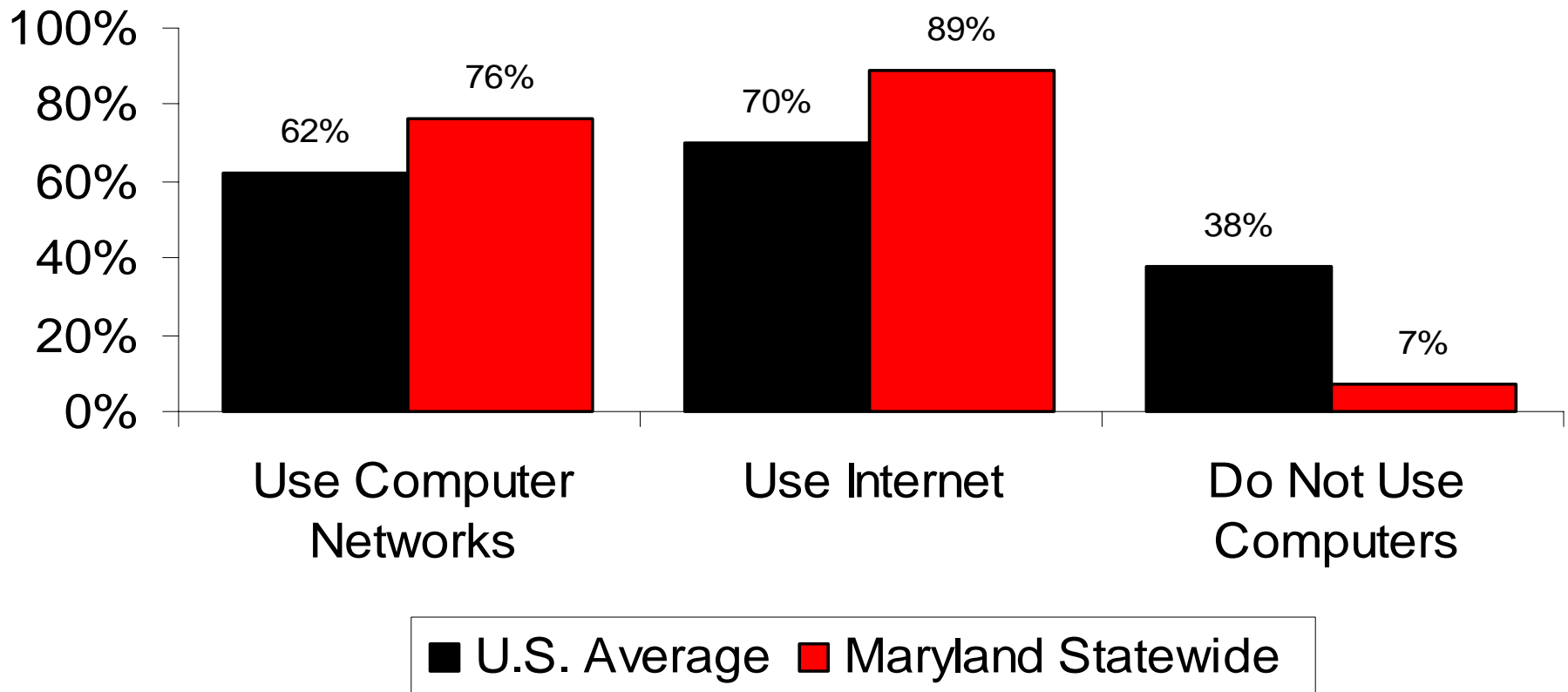


Who Was Interviewed? (cont.)

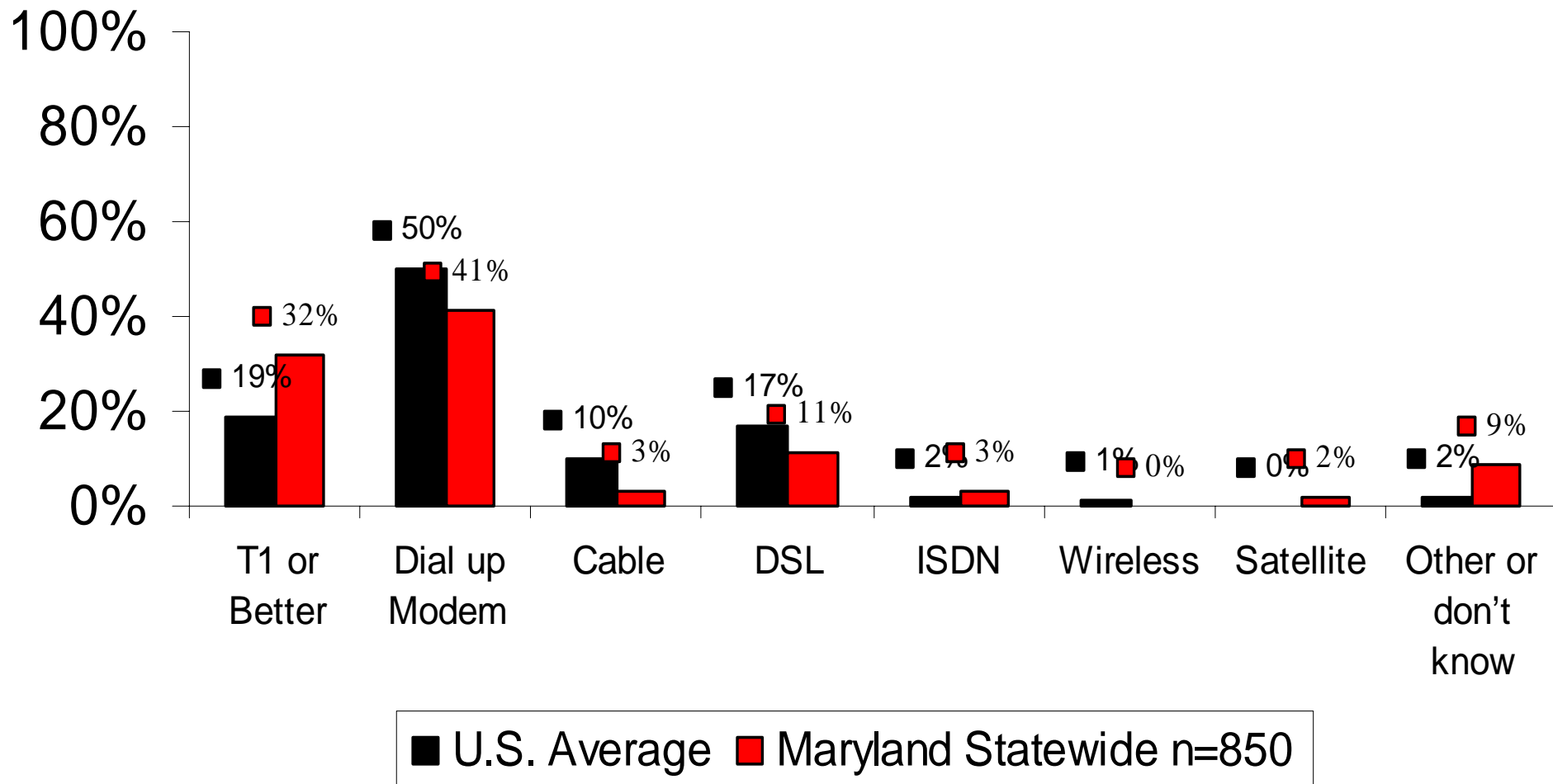
Type of Business



Business Usage of Computers and Internet

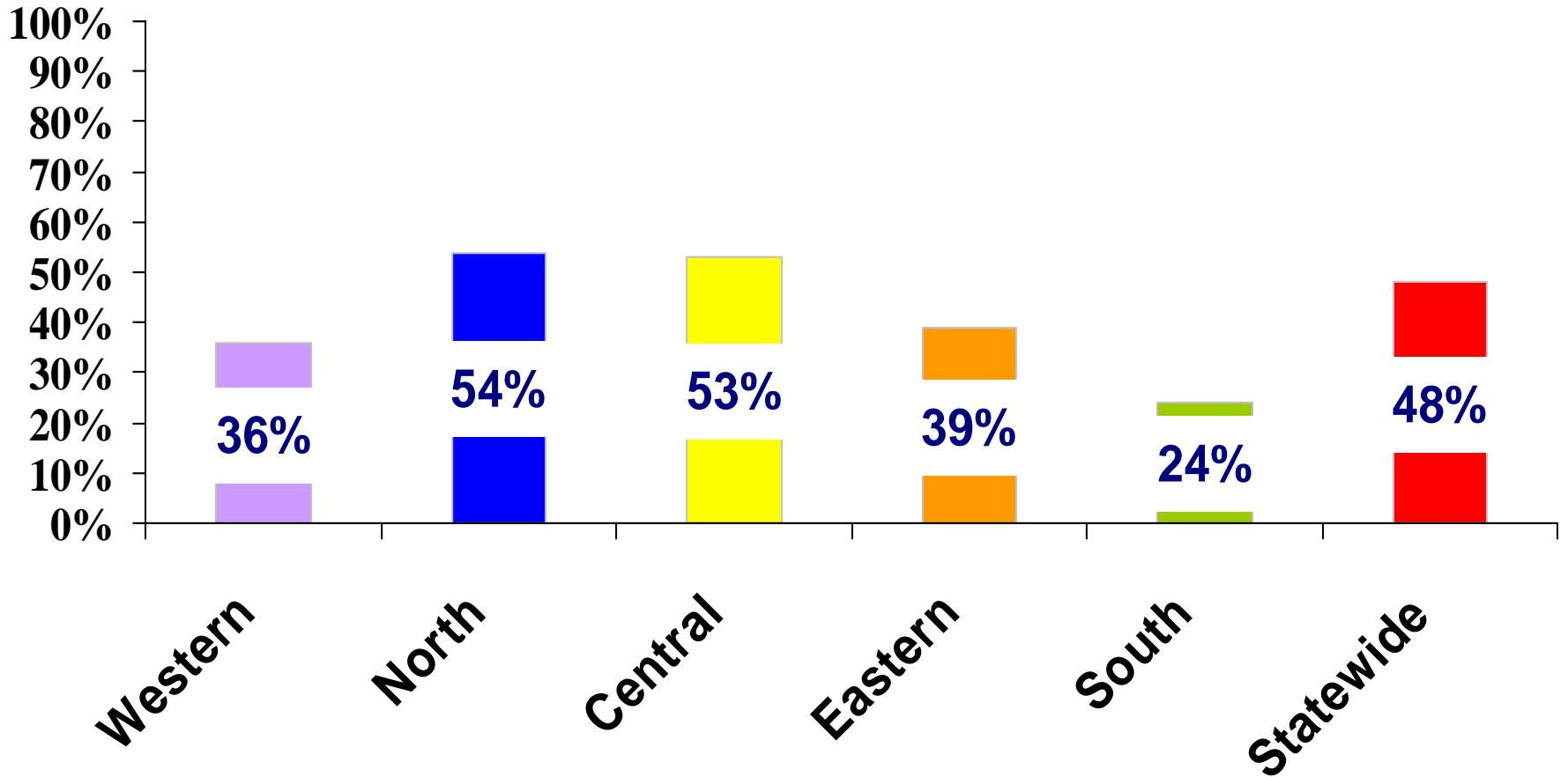


Mode of Access – All Types of Business

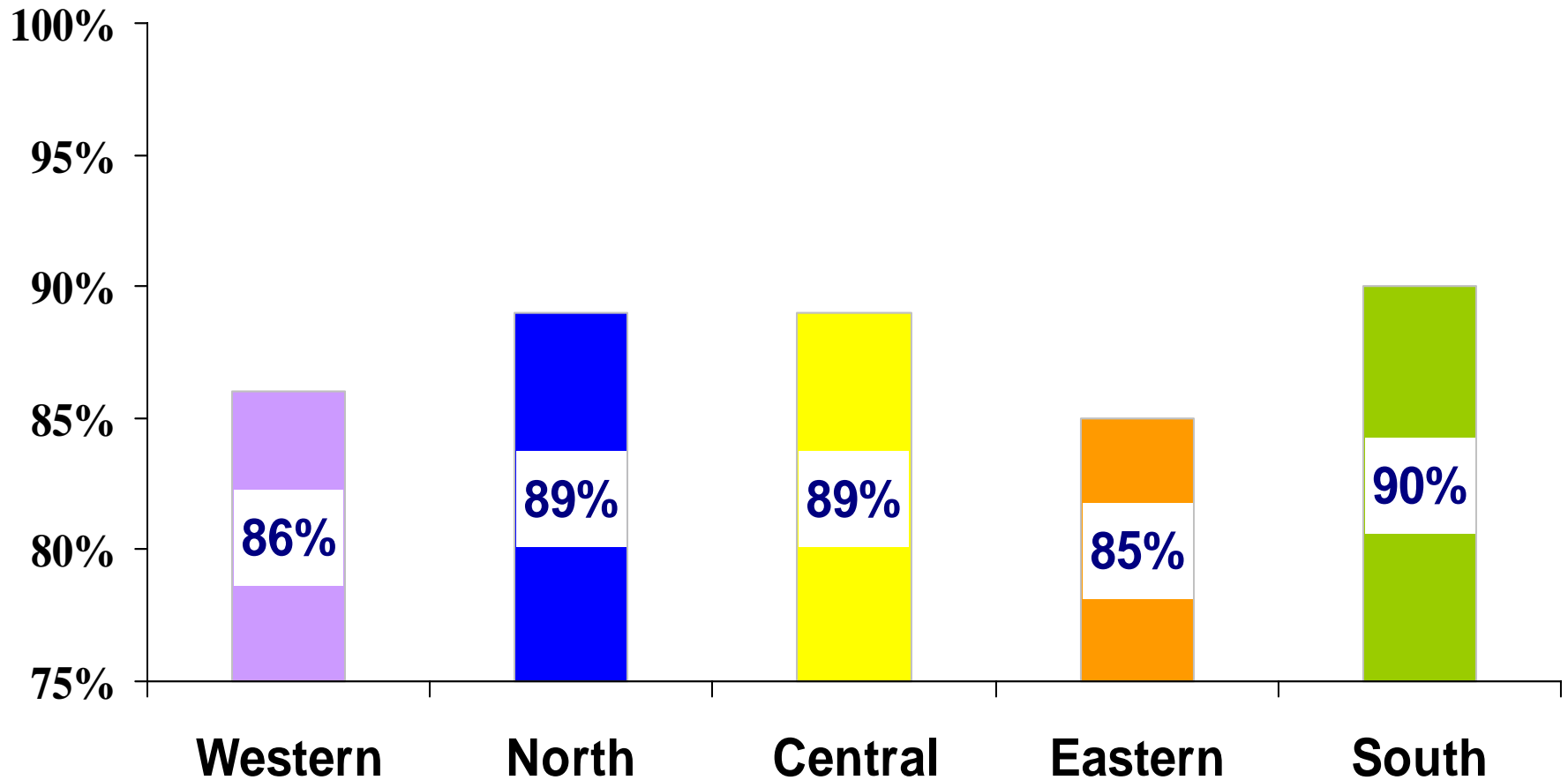


Your Current Mode of Access is Broadband? (yes)

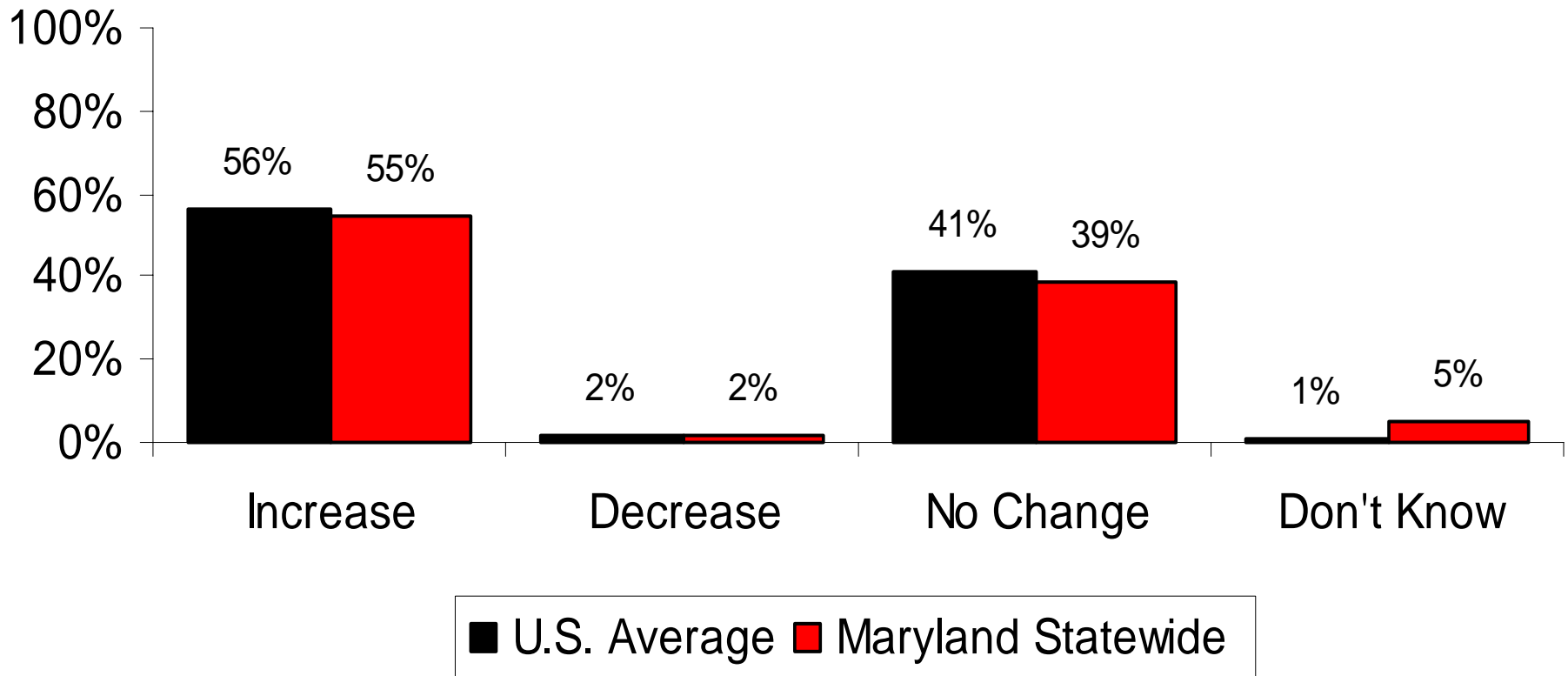
Broadband Defined as 200 kbps or faster



Are You Completely or Somewhat Satisfied with Current Mode of Access?

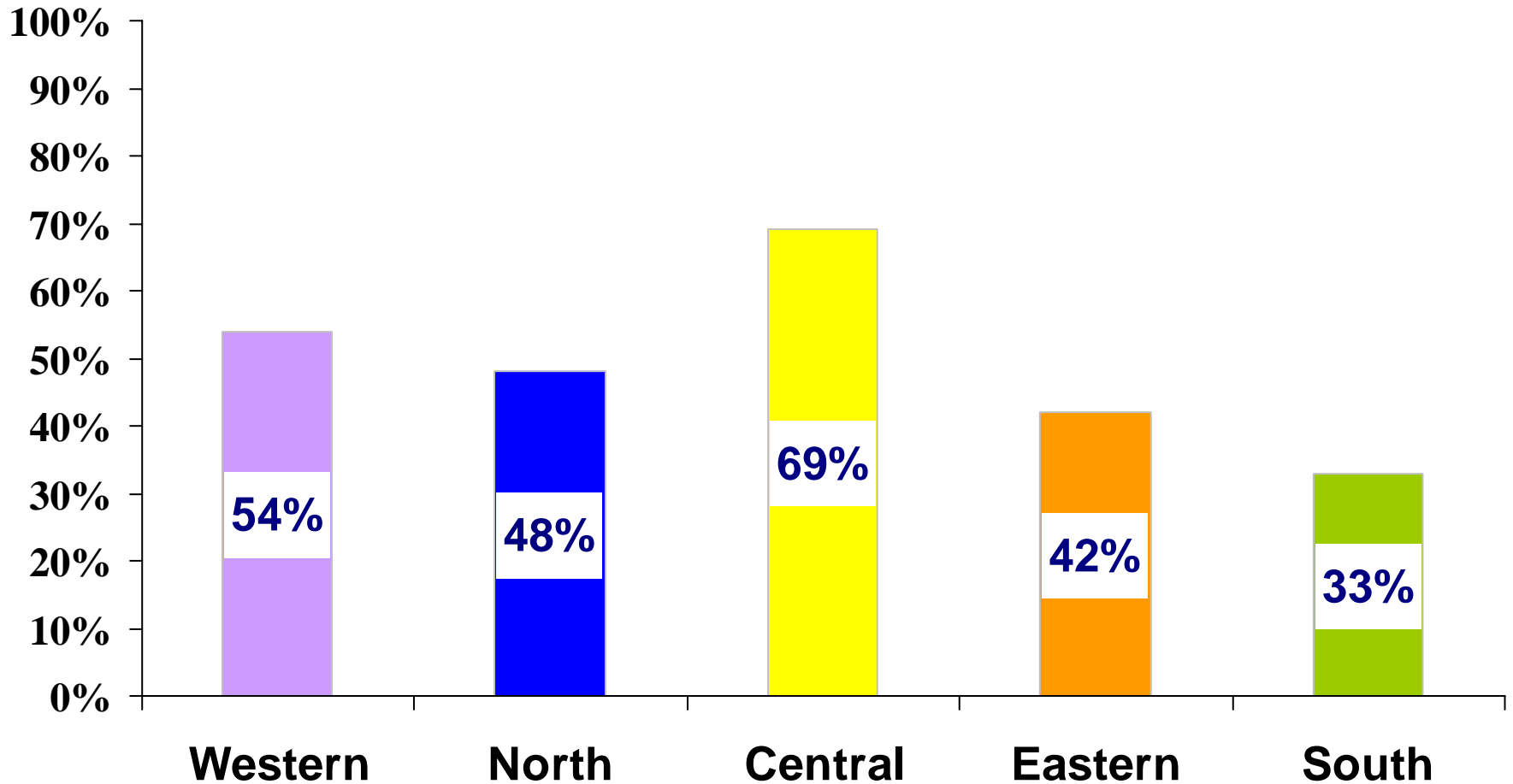


Effect of the Internet on Business Productivity

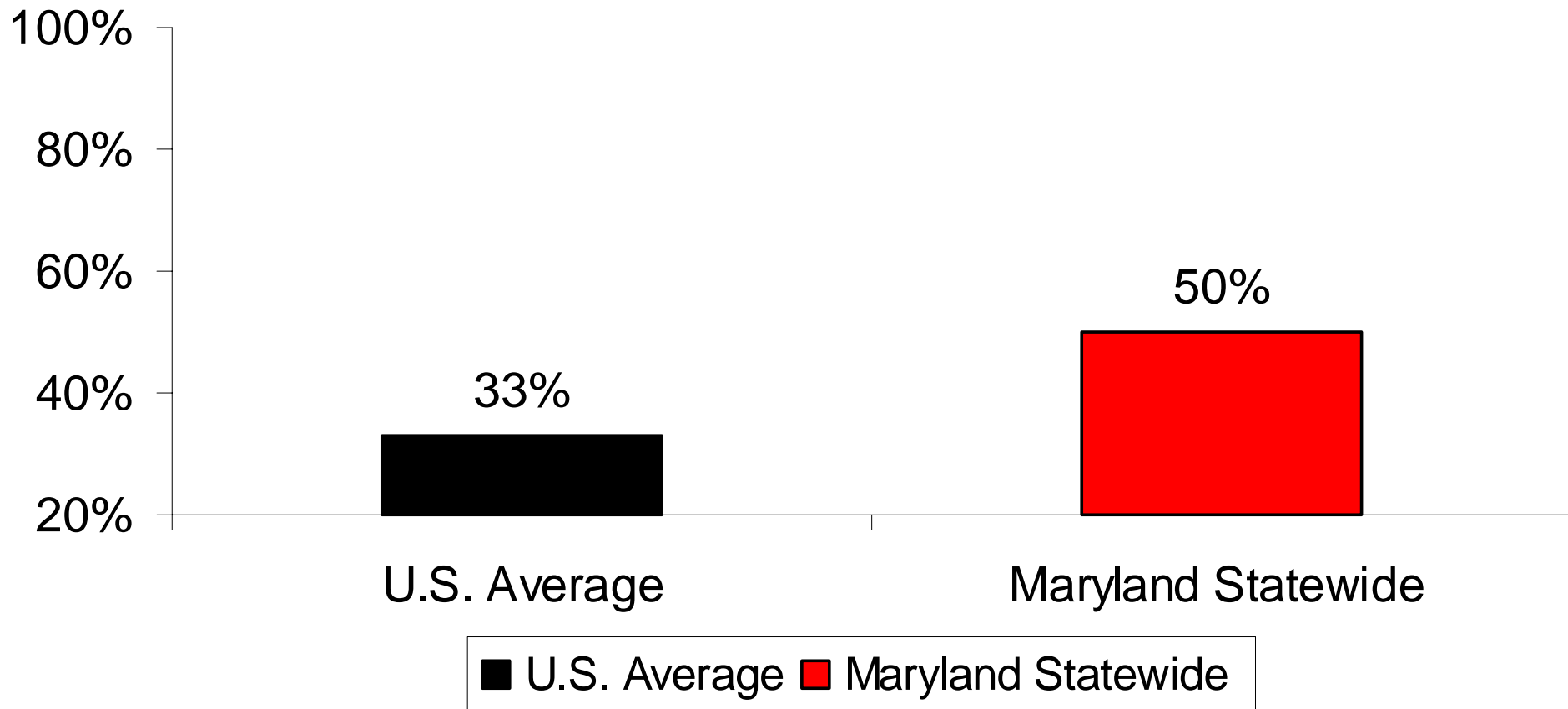


Has the Internet Increased Productivity?

(answering yes)

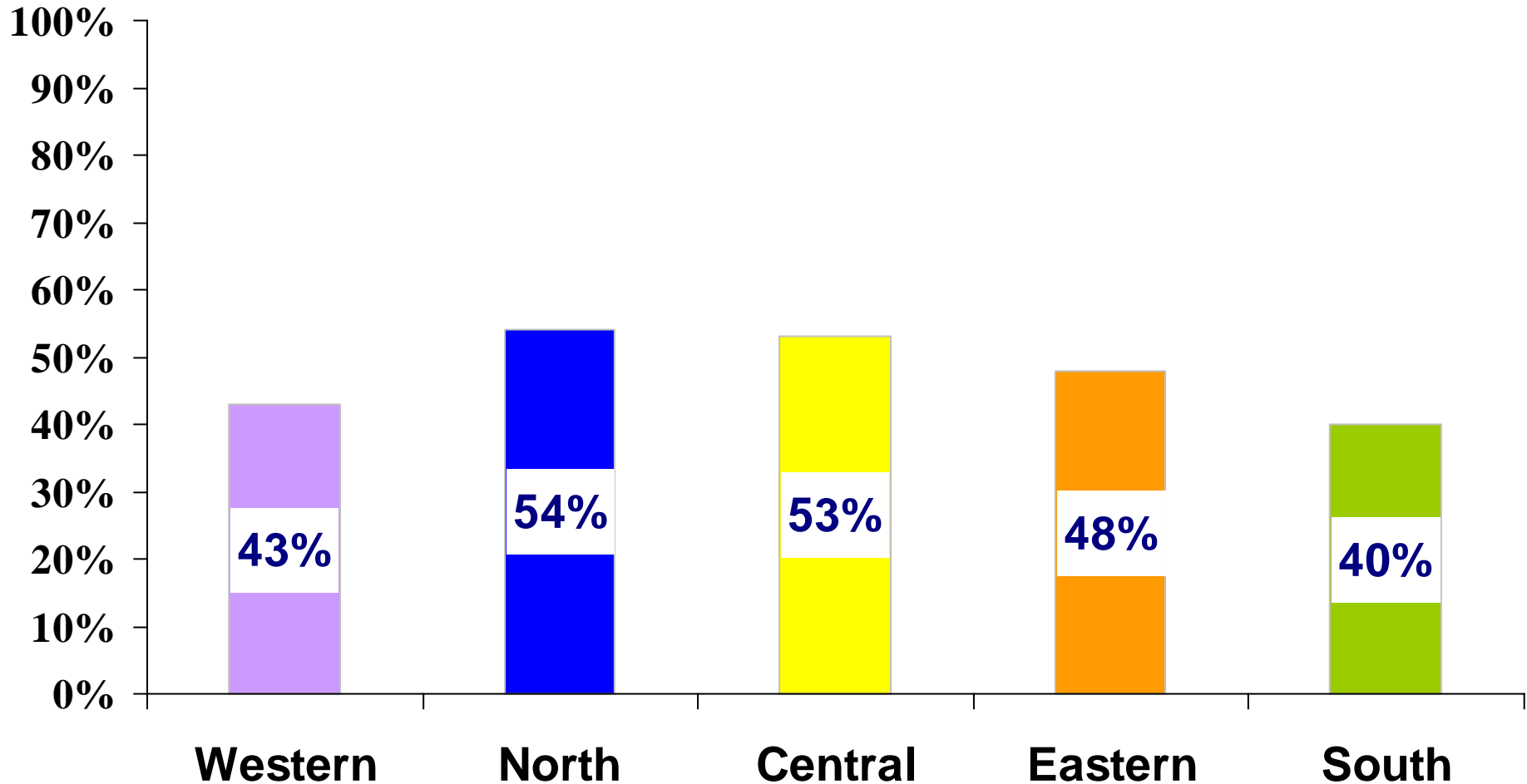


Does This Location Maintain a Website?

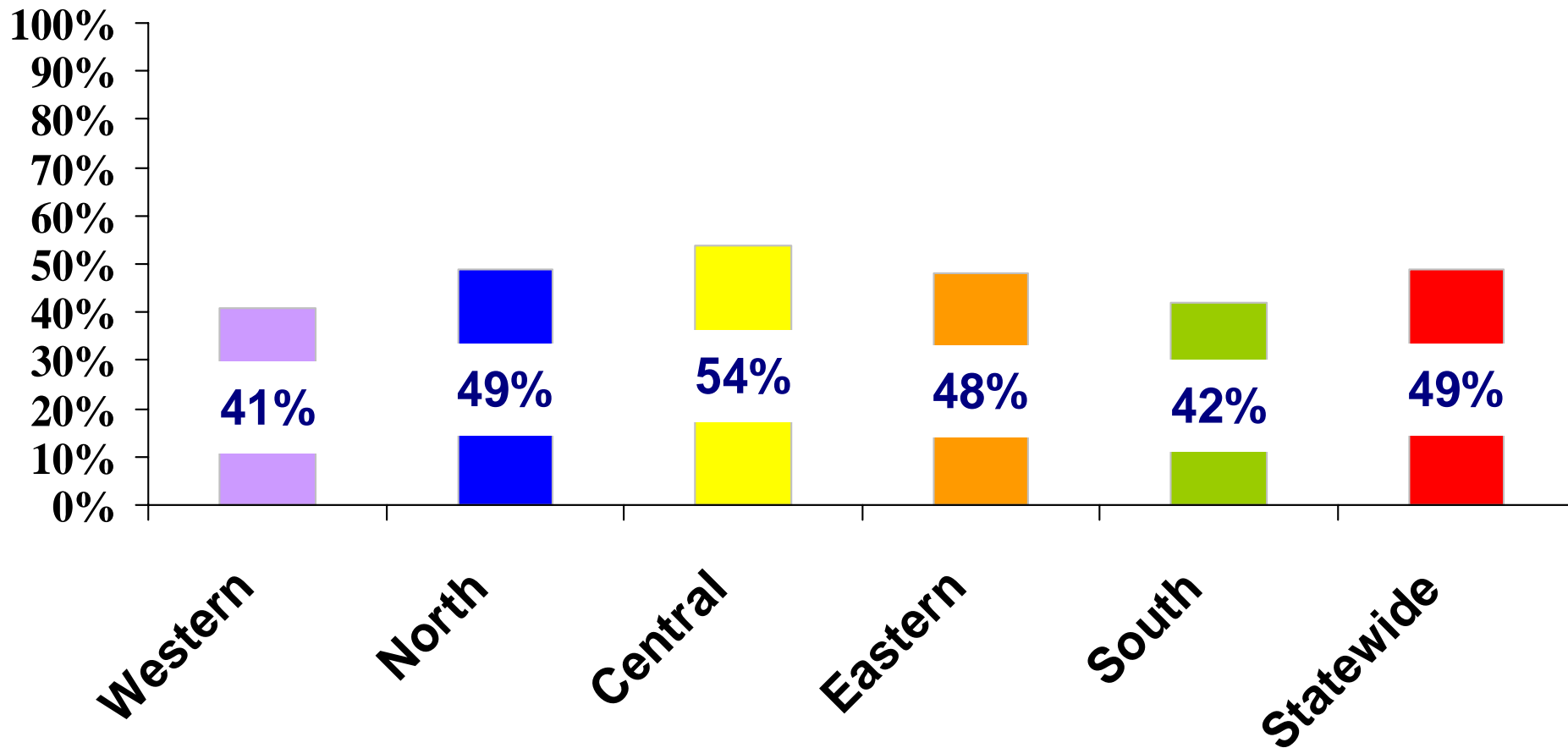


Does this Location Maintain a Website?

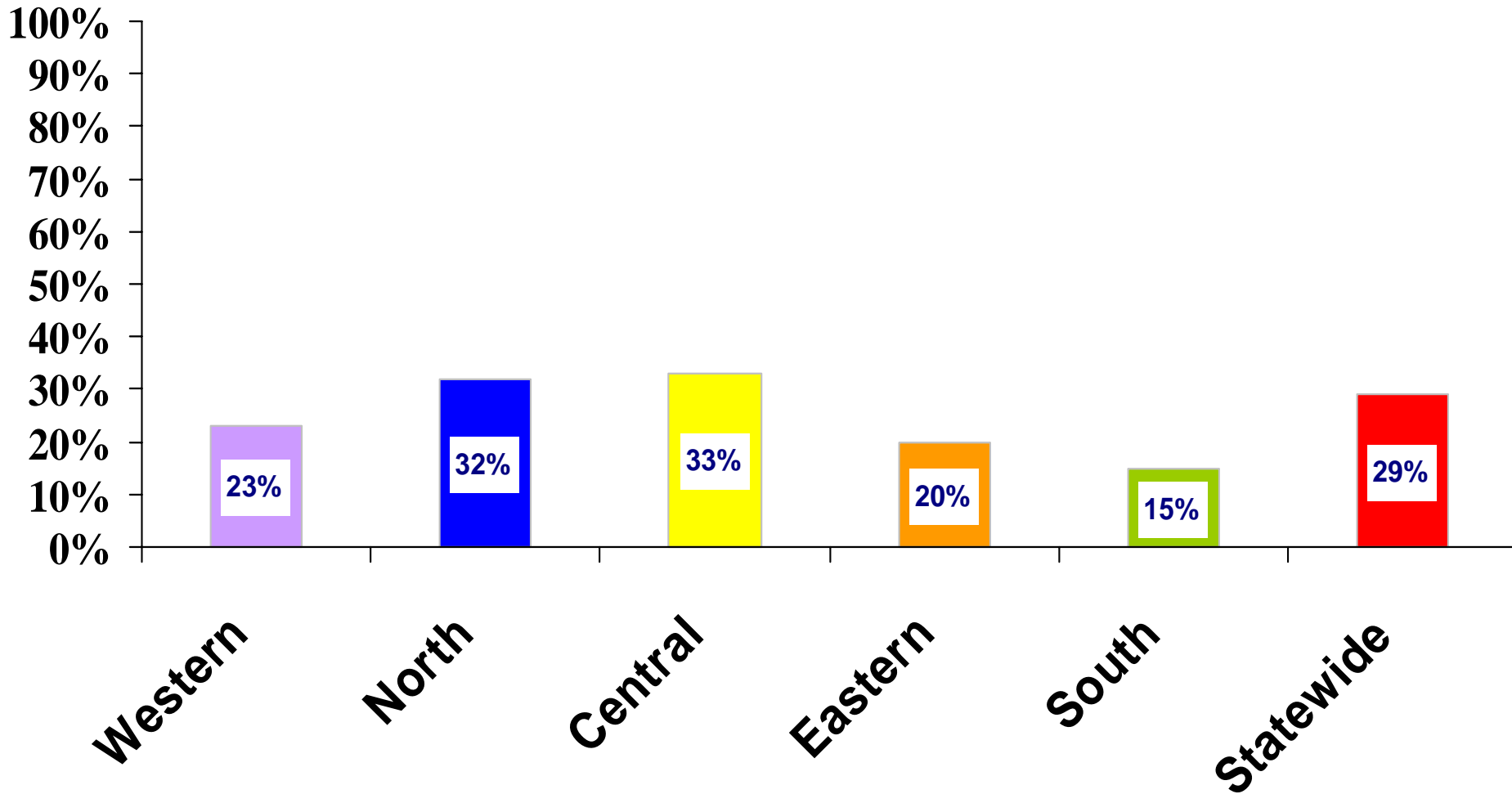
(answering yes)



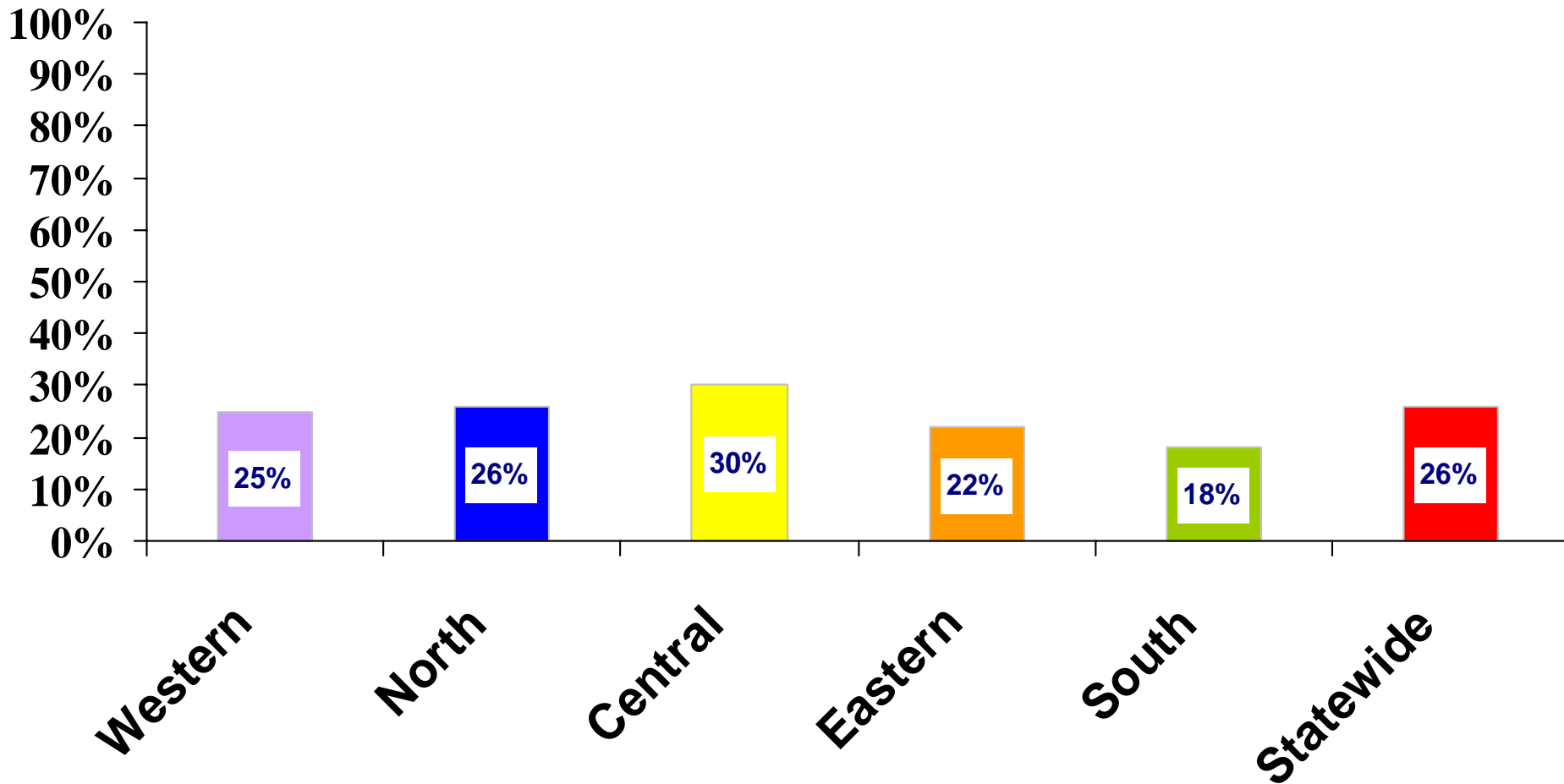
Do Expect Your IT Budget to Increase over the Next Three Years? (either Significantly or Somewhat)



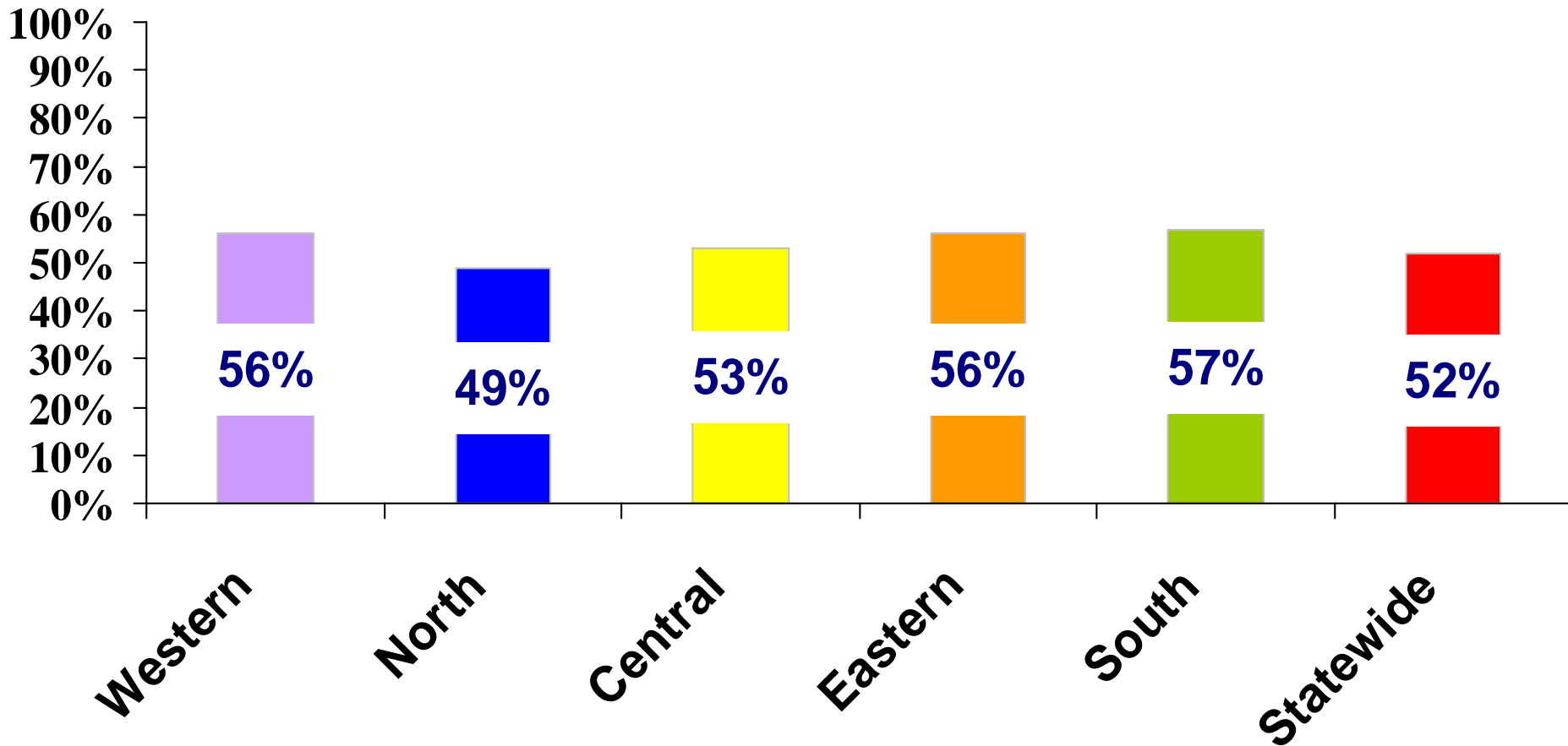
Do Your Employees Have a Degree in Information Technology? (Answering Yes)



How Much Will eCommerce Change the way this Location Operates in Five Years? (Answering “a great deal or quite a lot”)



Would Your Computer Use Change if Costs/Access to Technology Was Not An Issue? (Answering Stay the Same)





eReadiness Maryland
Assessing Our Digital Opportunities

Questions? Comments?

- www.marylandtedco.org
- Renee Winsky, Deputy Executive Director
 - 410-715-4163
 - rwinsky@marylandtedco.org
- David Houle, Program Manager for eCommerce
 - 410-715-4168
 - dhoule@marylandtedco.org