

# Internet 'ecosystem' is 3.7% of US economy: study

October 1 2012

---

The advertising-supported Internet "ecosystem" generated \$530 billion last year and supported 5.1 million jobs in the United States, an industry study said Monday.

The study released by the [Interactive Advertising Bureau](#) said the [economic value](#) of online industries has roughly doubled since 2007.

Researchers from the Harvard University Business School commissioned by the IAB, said this amounted to 3.7 percent of the US gross domestic product (GDP) last year, up from 2.1 percent four years ago.

"The substantial economic impact of the Internet—through its evolution and dynamism—has been borne out by this study," said study author John Deighton.

"Once accessed only from large desktop machines that connected the office or home to the world, the Internet, thanks to mobile phones and tablets, has become ubiquitous."

The report, "Economic Value of the Advertising-Supported Internet Ecosystem," was unveiled at the annual IAB conference to quantify the significant role the ad-supported digital sector plays in the broader US economy.

The report shows New York and California as home to the headquarters of the largest number of US [Internet firms](#).

The jobs supported by the Internet include 375,000 in one-person firms and small companies, many of whom sell on Amazon, [eBay](#) and other sites.

Many others were self-employed [web designers](#), writers and programmers.

App development alone accounted for 35,000 full-time equivalent jobs, the study concluded.

The biggest increase in jobs over the four-year period was seen within the infrastructure (300 percent) and consumer support service (229 percent) sectors.

The study said digital industries directly employ two million Americans, and another 3.1 million jobs are supported indirectly by online activity.

"The rapid growth of the ad-supported Internet has become a major driver in the US economy," said Randall Rothenberg, president and chief executive of the IAB.

"With encouragement from regulators and legislators in Washington, DC and other world capitals, there is no doubt that the interactive marketplace will bring an even greater number of jobs into the fold—not only in America, but across the globe—providing strong economic value in the years to come."

(c) 2012 AFP

Citation: Internet 'ecosystem' is 3.7% of US economy: study (2012, October 1) retrieved 26 April 2024 from <https://phys.org/news/2012-10-internet-ecosystem-economy.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private

study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.