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Report: 500 Mbps Is the New Entry-Level Broadband Speed

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PRICING

Tarifica, a market research firm, has released a new report examining home broadband pricing and speed from 21 providers across four major U.S. cities.

The study, titled “US Broadband Study: Weak Pricing Power Below 1Gbps, Big Premiums at the Top,” provides insights into the dynamics of pricing by tier and region. The study used data from Boston, Kansas City, Minneapolis, and Seattle to assess pricing trends in the 100+ Mbps, 250+ Mbps, 500+ Mbps, 1000+ Mbps, and 2000+ Mbps tiers.

The report produced four major findings. The most notable, according to Tarifica, is that the 500 Mbps tier has replaced the 100 Mbps tier as the entry-level standard for broadband service in the U.S.

Broadband Speed Report

The firm found that the average monthly cost for a 500 Mbps plan was \$57.66, and a 100 Mbps plan was \$49.11.

“The pricing gap between 100 Mbps and 500 Mbps has effectively disappeared, which tells us that consumers now view 500 Mbps as the baseline for modern broadband,” Will Watts, Tarifica’s vice president of product, said in a [prepared statement](#).

“This shift reflects both consumer demand and provider repositioning of their entry-level tiers.”

The broadband speed report also highlighted three additional key findings:

- The researchers found that pricing “is relatively flat” below 1 Gbps, but providers regain significant pricing power as speeds increase.
- Boston, Minneapolis, and Seattle had near-identical pricing profiles — with less than a \$3 difference — suggesting consistent national pricing strategies.
- Kansas City had the highest prices overall, particularly at lower speed tiers.

The emergence of fixed wireless access (FWA) as a viable lower-cost broadband option is driving competition and impacting pricing.

For example, Brightspeed launched [an FWA offering](#) in January as a higher-speed option for customers who are still using copper-based broadband. The service leverages Verizon's wireless network.