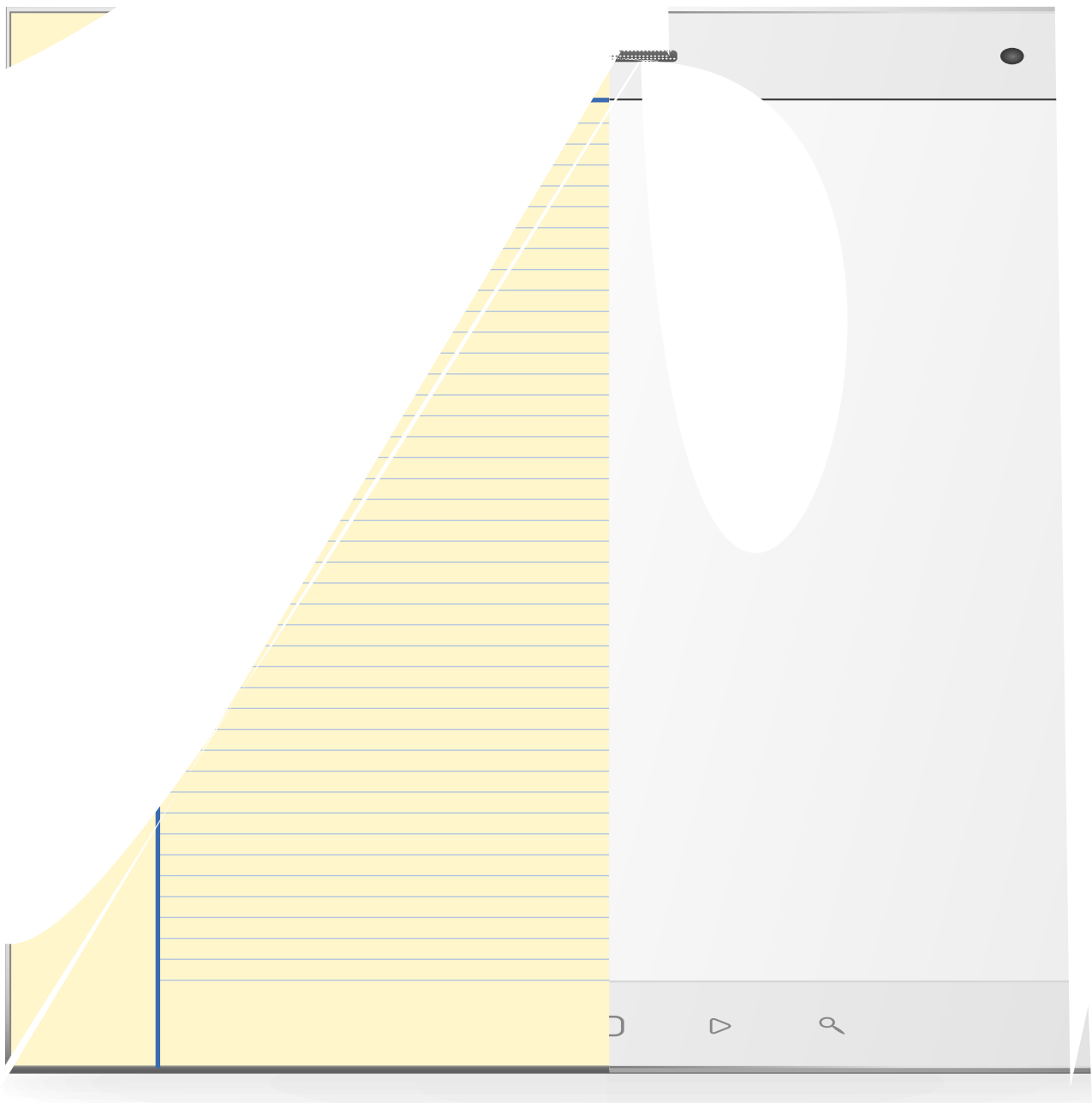


CON



CLOSING THE DIGITAL DIVIDE

WHAT IS THE DIGITAL DIVIDE?

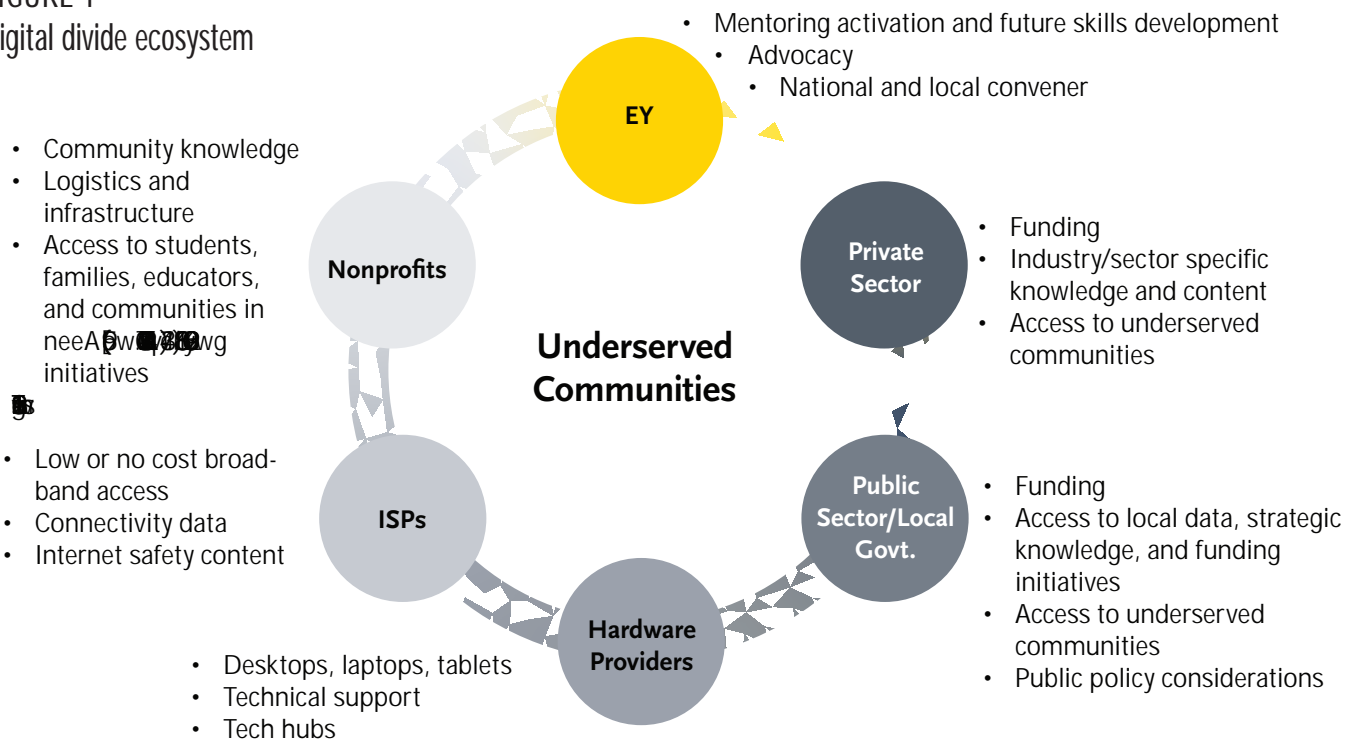
The digital divide refers to the gap between those who can access and take full advantage of computers and the internet and those who cannot. For those who cannot, the reasons range from lack of access to devices or internet to lack of access to digital training.

It's a form of inequality that can limit opportunities for those on the wrong side of the chasm. The digital divide can exist for a variety of reasons and can occur in different contexts.

The digital divide reflects and can exacerbate existing social and economic inequalities,

including those based on race and ethnicity. In many countries, including the United States, people of color and people experiencing poverty are often less likely to have access to high-speed internet, digital devices, and digital literacy education.

FIGURE 1
Digital divide ecosystem





The EY commitment to addressing the digital divide

Even before the COVID-19 pandemic, EY citizenship leaders including Kevin Brown identified concerning trends, including that one-third of young people (disproportionately Black, Latinx, and/or low-income) lacked access to broadband and devices at home. This disparity was intensified during the pandemic. To address this issue, the firm created several anti-racism interventions, including the Ernst & Young LLP (EY US) Bridging the Digital Divide initiative. EY people were inspired to use their time and connections to close the divide in their local communities. EY US noticed that there was a need for private sector leadership on the issue, so the organization used its network and influence to activate multiple stakeholder groups across the country and raise millions of dollars in support of the cause. The foundation of EY US's commitment to this issue is through its mentoring programs, where EY people volunteer to help upskill beneficiaries on how to succeed in a digital age.

In the three years since the Bridgn th-6D.4 (i) (l)7(a)7 (r)-7 (s i)10.2 (n s)14 b (i)-0.8 (e)-421208 (e)-494Lang2 (lq8e)-75(e)is iho tn a dre n

Who is most likely to experience the digital divide?

Urban vs. rural: Even within developed countries—including the U.S.—there can be a significant digital divide between urban and rural areas. Urban areas typically have better internet access due to better infrastructure, whereas rural areas often lack the necessary infrastructure (fiber optic cables, cell towers, etc.). This issue is prevalent in both developed and developing countries. Another barrier to connecting rural communities is the expense and difficulty of building the infrastructure in far-flung locations. Within the High-Speed Internet for Everyone initiative of the federal government, for example, leaders are discovering that the cost of creating some of the rural broadband connections initially planned exceeds the value of the properties they are connecting. They are then faced with the tough choices about whether to connect more people elsewhere or to pursue the more expensive rural network.²

SOCIOECONOMIC STATUS

Income: Households with higher income generally have better access to the internet and digital devices. On average, racial and ethnic minority groups often have higher proportions of lower incomes, which can make it harder to afford internet service and digital devices. The cost of digital access can be a significant barrier for these families. Many people with lower incomes have access to the internet only at work, school, or in public spaces where there is free Wi-Fi. This limits how and when they can connect and for what purpose. People with lower incomes spend a higher proportion of their incomes on basic needs. For example, a family of three earning 200% above the 2023 poverty line of \$49,720³ still uses at least 75% of their monthly take-home income of \$3,838 to pay for basic needs⁴—a higher proportion if they live in a high-rent area. Twenty-two percent of these households will not be able to pay their bills in full each month, and almost 40% will not be able to cover an unexpected expense of \$400 using

cash.⁵ While cell phone service is on the list of basic needs, broadband is not. With the 2023 cost of broadband connection ranging from an average of \$77 per month where fiber-optic cable is available to almost \$189 per month where only

cost share, demands for tech-savvy leadership, and other hurdles that disadvantage tribes. For example, according to an American Indian Policy Institute analysis of Federal Communications Commission (FCC) data, just 67% of tribal lands in the continental U.S. have access to broadband internet, with the majority having access only to broadband speeds considered by the FCC to fall short of what is “minimally acceptable.”⁸ The legacies of discriminatory racial policies from the 20th century—most notably the Depression-era practice of neighborhood redlining that restricted loans to neighborhoods that were mostly low income and inhabited by people of color—are seen even in current technology distribution. Despite internet service provider self-reports of similar technological availability, broadband access generally decreases in tandem with historic neighborhood classification.⁹

Women: The gender digital divide refers to the disparities between men and women in terms of access to and use of information and communication technology (ICT). Recabig

Bridging the digital divide and building a better working world

As part of the company's effort to build a better working world and in support of our commitment to social justice, EY US is creating digital equity in the U.S. through the Bridging the Digital Divide program.

Fundamentally, EY believes access equals enablement and opportunity. With the right training, tools, and connectivity, more people can access more resources in pursuit of healthier, more connected, and successful lives. EY provides mentorship to digitally upskill and facilitate access to devices and broadband internet service.

There is no one-size-fits-all approach to bridge the digital divide. The key is to match local solutions to the needs and objectives of local communities, with an emphasis on hands-on support and training by individuals committed to making a difference. EY US is focused on local solutions, IS

"Our initiative embraces a 'Now, Next and Beyond' strategy that applies our consulting acumen, with an eye toward social inclusion. 'Now' focuses on working with organizations to support students, families, and educators to provide devices and broadband access. 'Next' is a stabilizing phase where mentorship creates a path to digital upskilling that can transform communities for the 'Beyond.'"

Kevin Brown

Principal, Consulting Services and Life Sciences
Technology Lead
EY US