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NEW FEDERAL RESERVE BANK OF KANSAS CITY REPORT TO HELP BRIDGE DIGITAL DIVIDE

KANSAS CITY, MISSOURI —The Federal Reserve Bank of Kansas City announced today a new report, <u>Disconnected: Seven Lessons on Fixing the Digital Divide</u>, focused on broadband access, economic impact and solutions for communities to narrow the digital divide. The digital divide refers to the gap between those with and without access to affordable, reliable broadband and the skills and equipment to utilize it.

Today, many parts of the U.S. are still left without broadband. Nearly 68 percent of people without broadband at home live in rural communities.

"The report further illustrates that the digital divide effects every aspect of community and economic development. Digital access is an issue every community leader should be mindful of, as digital inclusion has become economic inclusion," said Jeremy Hegle, senior community development advisor at the KC Fed.

The report, based on national data, interviews, surveys and roundtables, sheds light on seven themes around the digital divide and how to fix it: awareness, change, rural broadband, increasing broadband adoption, computer skills, equipment and program evaluation.

Three key findings include:

- Rural broadband expansion In the U.S. more than a third of all rural residents lack broadband access, versus four percent of the metro population. In the Tenth District, Oklahoma has the most underserved broadband population at 30 percent.
- *Increased digital skills training* Training for basic digital literacy is the highest priority for most nonprofit organizations. The study shares that roles with baseline digital skills pay 17 percent more than non-digital roles.
- Device needs, affordable equipment Donating used computers can be a low-cost, high-impact way to contribute to the solution. The report found that in Boley, Oklahoma, one computer donation led the town to re-establish a public library, after it was closed for a decade. In turn, it also offered free internet.

To close the digital divide, the report recommends evaluating local broadband policies, expanding workforce development programs focused on digital skills and supporting computer donation programs.

"The digital divide is wide and complex. No one group can bridge the divide alone—not government, banks, businesses or community organizations. Each of these groups, however, must play a role if the divide is to be narrowed," Hegle states in the report.

For more information on the seven themes, or to download the full report, visit kansascityfed.org.

As the regional headquarters of the nation's central bank, the Kansas City Fed and its branch offices in Denver, Oklahoma City and Omaha serve the seven states of the Tenth District: Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico and western Missouri.