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# **THE DIGITAL DIVIDE AND ITS PROFOUND IMPACT ON PRIVACY, FUTURE OF WORK, AND GAPS IN WEALTH**

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# NEXT CENTURY CITIES

- NCC is a 501(c)(3) nonpartisan nonprofit that supports local efforts to provide affordable, reliable, and widespread broadband access.
- We provide resources and advocate for mayors and other local officials who work to bring affordable, reliable broadband within reach for every resident. All recognize the far-reaching impact of ubiquitous high-speed connectivity.
- Our work illustrates the importance of expanding broadband access and increasing adoption.

Albuquerque, New Mexico

# NCC MEMBER MUNICIPALITIES

Over 200 members  
include:

- ANN ARBOR
- DETROIT
- HOLLAND
- ST. JAMES TOWNSHIP
- SEBEWAING



Ann Arbor, MI



Holland, MI

# Ubiquitous Broadband Access & Adoption Strategies Support Shared Societal Goals

- IMPROVES EDUCATIONAL OUTCOMES FOR STUDENTS OF ALL AGES
- PROVIDES ECONOMIC MOBILITY FOR RESIDENTS
- IMPROVES ACCESS TO HEALTH CARE AND WELL-BEING PROGRAMS
- PROMOTES CIVIC ENGAGEMENT
- INCREASES GOVERNMENT EFFICIENCY AND TRANSPARENCY
- SUPPORTS PUBLIC SAFETY AND ENVIRONMENTAL GOALS



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# CHALLENGE: FEDERAL POLICY AND FUNDING PROGRAMS FOCUS ON BROADBAND ACCESS.

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**The FCC is responsible for making high-speed connectivity available to U.S. residents.**

Federal funding historically supports broadband network expansion in unserved and underserved areas.

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**State and local governments are left to fill in broadband adoption gaps.** Subscription affordability, access to equipment, and gaps in digital literacy are among the primary obstacles.

# MICHIGAN

Michigan's population is approximately 10 million people, 4 million households.

Over 20% of households do not maintain a broadband subscription.

12% of residents not have access to a computer at home.

English is not the primary language In almost 10% of Michigan households.

## STATE OF CONNECTIVITY

**FCC:** Over nine million Michigan residents (or 92%) have access to a fixed broadband connection at minimum speeds.

**FCC:** 98% in urban areas versus 73% in rural Michigan have access to a fixed connection at minimum speeds.

**State of Michigan:** More than 1.2 million residents do not have a permanent fixed broadband connection at home.

**Tribal Areas:** Approximately 50K Michigan residents live on Tribal lands for which there is limited connectivity data.

# Unique Broadband Connectivity Obstacles in Michigan

Before the  
**COVID-19**  
pandemic,  
**13%** of  
Michigan  
residents  
reported living  
in poverty.

Isabella County  
(mid-Michigan):  
**23.4%** of  
households live  
in poverty and  
**26.7%** of  
households do  
not have a  
broadband  
subscriptions.

Lake County  
(northern  
Michigan):  
**22.3%** of  
households  
live in poverty.  
Less than **3%**  
have access to  
**25/3 Mbps**  
broadband.

# Unique Obstacles Tied to Cycles of Poverty in Michigan (continued)

## WAYNE COUNTY (SOUTHEAST MICHIGAN)

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- 21.7% OF HOUSEHOLDS LIVE IN POVERTY.
- HOME TO DETROIT WHERE THE MEDIAN HOUSEHOLD INCOME IS \$31K, COMPARED TO OVER \$64K NATIONWIDE
- HAMTRAMCK, MI, IS ONE OF ONLY THREE TOWNS IN THE U.S. WHERE OVER HALF OF THE POPULATION LIVES AT OR BELOW THE POVERTY LINE.

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**THINK ABOUT IT:**

**What is the societal cost  
of the digital divide?**

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# NATIONWIDE IMPACT

- 44% of adults in households with incomes below \$30,000 are unable to maintain broadband subscriptions.
- 35% of lower-income households with children, approximately 16 million, don't have a broadband connections at home.
- Low-income households are less likely to have broadband access due to a host of barriers including affordability, access to devices, and digital literacy.
- In the wake of the COVID-19 pandemic, those struggling with the digital divide will not be able to work, learn, obtain health care, or access community resources from home.



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## PRIVACY

- Digital neophytes have second-class digital citizenship and protections.
- Privacy concerns have become increasingly more serious when public Wi-Fi networks are filling in gaps for home broadband access but provide users with little-to-no control of third-party access to personal information being transmitted online.
- Privacy education is an important component of digital literacy. Public and private stakeholders have an important role in keeping data secure.

# FUTURE OF WORK

- During COVID-19, opportunities to work from home (WFH) remain out of reach for those struggling with affordable and reliable broadband.
- The permanent transition to WFH models will disproportionately impact minorities and low-income residents.
- There are economic consequences for the connected and disconnected when, according to Deutsche Bank, 76% of Blacks and 62% of Hispanics could get shut out or be underprepared for 86% of jobs in the US by 2045.”





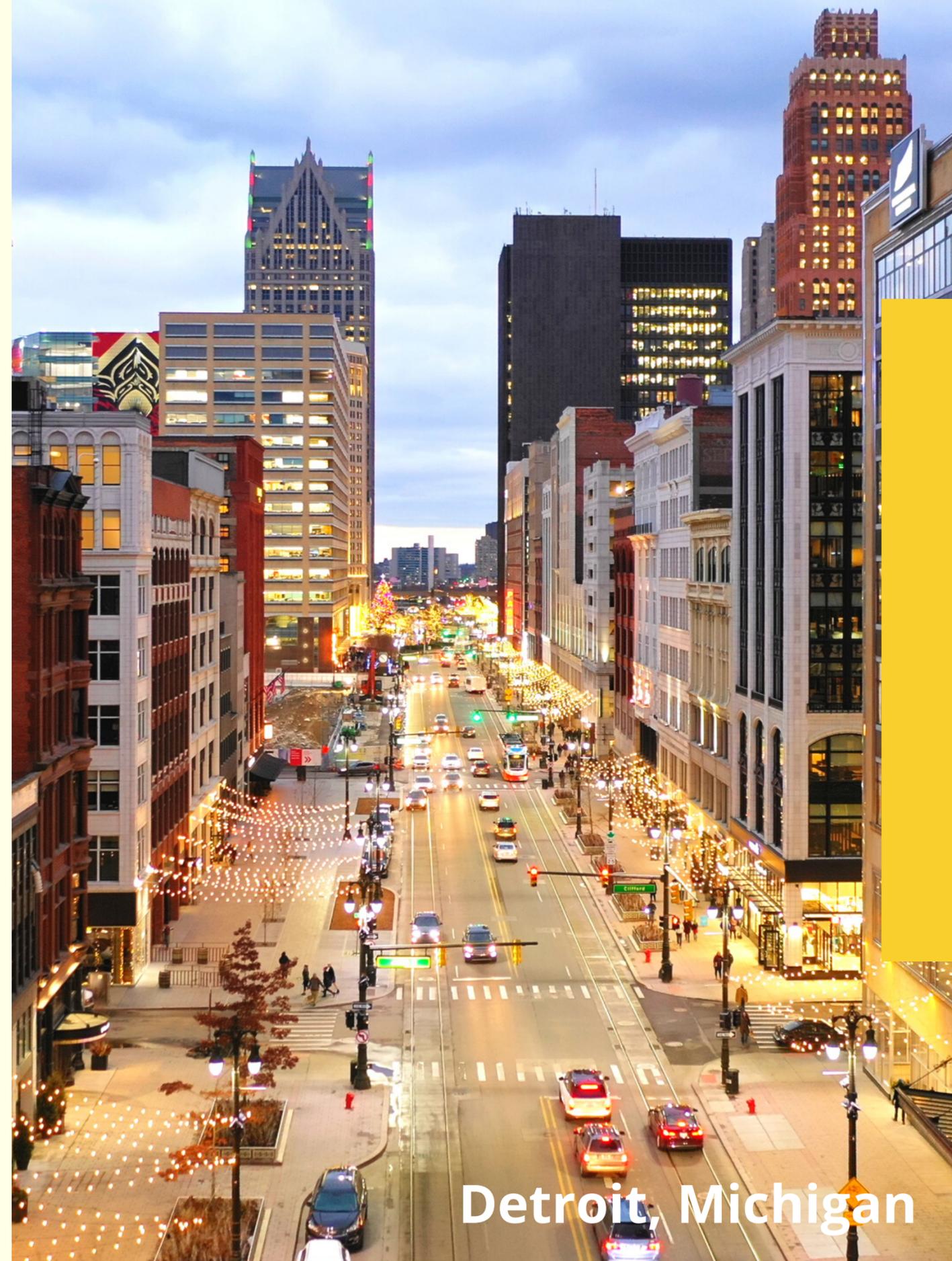
# GAPS IN WEALTH

- Cycles of poverty only make it more difficult for low-income households to maintain broadband subscriptions and access to digital tools.
- 1.2 million Michigan residents do not have a permanent fixed broadband connection at home. According to Governor Whitmer, that results in \$1.8 to \$2.7 billion in potential economic benefit left unrealized among disconnected households.
- McKinsey research revealed that Black and Hispanic Americans are underrepresented in seven of the eight highest paying industries.

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# THE CHALLENGE

How do we measure the cost of the millions of Americans who are disconnected without the capacity or agency to advocate for themselves?



Detroit, Michigan

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## **NEXT STEPS:**

**Provide pathways for every stakeholder – government officials, private sector allies, philanthropic partners, and concerned citizens – to participate in closing the digital divide.**

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