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**Econsult Corporation and Digital Impact Group Release First U.S.
Study Quantifying the Economic Impact of Digital Exclusion**
Study Estimates Conservative Annual Cost of \$55B

Digital Impact Group and Econsult Corporation have produced an assessment of the economic impact of digital exclusion in the US. The report quantifies costs associated with the significant proportion of the population that lacks high-speed internet access at home, and estimates an annual cost to individuals, government and the nation of \$55B. The report was submitted to the Federal Communications Commission Friday as part of the record for the National Broadband Plan the agency is developing for submission to Congress on March 17.

It is available for download at <http://www.digitalimpactgroup.org/costofexclusion.pdf>.

In the US, over 100 million individuals representing over 40 million households are unable to use high-speed internet, or broadband, because they cannot access it, cannot afford it, do not know how to use it, or are not aware of its benefits. This "digital divide" is costly not only for those who lack computer access and skills, but for businesses, government, and the nation as a whole.

The DIG/Econsult report develops a taxonomy of negative economic impacts associated with digital exclusion, articulates the mechanisms through which digital exclusion has adverse impacts, and qualitatively and quantitatively evaluates 11 categories of significant impact. For example, in the area of education, analysis focuses on increased earnings potential resulting from increased educational success made possible by broadband access. The estimate in the economic opportunity category accounts for increased job searching ability via the Internet, and greatly improved access to employment for the disabled, citing the vast proportion of companies that accept job applications online only. The report seeks to identify minimum likely levels of impact in each category. The estimates of all 11 categories of economic impact yield an aggregate estimate of the current cost of digital exclusion of over \$55 billion per year.

The cumulative figure does not directly account for a number of significant, albeit hard to quantify, considerations that are more diffuse in nature but are no less important. For example, the study notes but does not attempt to quantify the social and economic benefits of greater civic engagement, or the environmental impacts associated with the reductions in travel that result from online shopping. In these areas and more, as well as in those areas that were quantified, the report is intended to be the *start* of a conversation about the economic impact of digital exclusion. As such, it identifies aspects of the cost of digital exclusion that warrant further exploration and precision.

"We applaud the FCC for the outstanding work it has done in developing the National Broadband Plan. We truly hope that the Commission, and the broader community that has an interest in broadband adoption, will find this document and its findings useful in the coming weeks and months," said Greg Goldman, CEO of Digital Impact Group.

In its National Broadband Plan, the FCC is expected to recommend approaches to bridging the digital divide. Findings in this study of the economic impact of digital exclusion suggest that such efforts can have significant economic benefits for individuals and the country.

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About Econsult Corporation

Founded over thirty years ago, Econsult Corporation provides high-quality, rigorous economic analysis in support of public policy, economic development projects, litigation and consulting matters. Econsult combines state-of-the-art analytic methods with extensive professional experience in consulting, academia, and government. Specific practice areas include: Economic Impact Analysis; State and Local Public Policy & Finance Analysis; Transportation Economics, Policy and Planning; Human Resource Management and EEO Planning; Spatial Analytics and GIS Solutions; Economic Development and Real Estate Analysis; Project and Program Evaluation; and Travel and Tourism.

About Digital Impact Group

DIG is a Philadelphia-based nonprofit with over three years of experience promoting broadband adoption and utilization by vulnerable populations. With a comprehensive model that addresses the multiple barriers to broadband adoption simultaneously, and that aligns with and supports the work of existing community based organizations, DIG has enabled nearly 2000 families to cross the "digital divide." DIG participated in workshops conducted by the FCC as part of the National Broadband Plan proceeding, and the organization's work was cited in the Commission's September, 2009 Open Meeting. The organization also conducts research and special projects in the area of broadband adoption.