Insight

Five Charts to Reveal the Real Digital Divide

WILL RINEHART, CALEB WATNEY | AUGUST 6, 2015

Introduction

The impact of cheap ubiquitous Internet access can be found in countless aspects of American work and society. However, a divide still exists between those with Internet access and those without. According to the most recent study by the Pew Research Center, this divide includes about 15 percent of American adults.[1]

The White House and the Federal Communications Commission (FCC) have released proposals to close the digital divide, which has been portrayed as primarily between the rich and the poor. However, AAF analysis of Pew data suggests that the real digital divide is likely between the old and young rather than just rich and poor, since older Americans have lower incomes, which demands a rethinking of the proposed programs.

Government Programs

Last month, the FCC released plans to expand its Lifeline subsidy program, which currently is used for telephone and wireless access, to include broadband.[2] In arguing for this expansion, FCC Chairman Tom Wheeler explained:

> "While more than 95 percent of households with incomes over $150,000 have broadband, only 48 percent of those making less than $25,000 have service at home. A world of broadband 'haves' and 'have-nots' is a world where none of us will have the opportunity to enjoy the full fruits of what broadband has to offer."[3]

Similarly President Obama's proposal, known as ConnectHome, aims to connect more low-income communities to high-speed Internet.[4] While it is undeniable that Internet adoption is higher in households with more income, it is worth investigating what the most significant

factors behind non-adoption are. In other words, is the digital divide simply a chasm of income?

The 5 Charts

The Pew Research Center recently released its 2000-2015 study on Internet adoption that provides some fascinating data for answering this particular question. Below is a chart created using Pew data that examines the advances made in Internet adoption by income bracket over the last 15 years. Under all income brackets it would appear that there remains a large gap between rich and poor, however this graph alone does not tell the whole story.