

# Overcoming The Digital Divide:

Making the digital economy a reality  
no matter where you live

# Why We Build Broadband Networks

## Operators

### Revenues from network subscriptions

- Investment, operations & maintenance costs

= OPERATOR PROFIT

## Local Economy

**Increased productivity and competitiveness,  
increased revenues, new jobs,  
better quality of life, better Internet choice, etc.**

- Investment, utilization programs and support

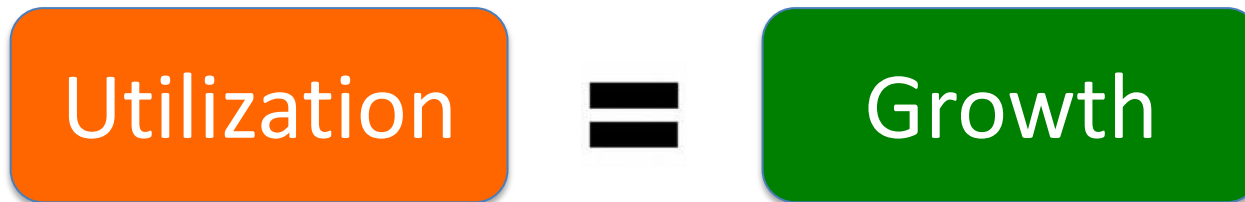
**= BENEFITS FOR THE COMMUNITY**

**“Off-  
balance-  
sheet”**

Broadband Availability is Often the Primary Focus, however ...



Economic Growth is Driven by Utilization





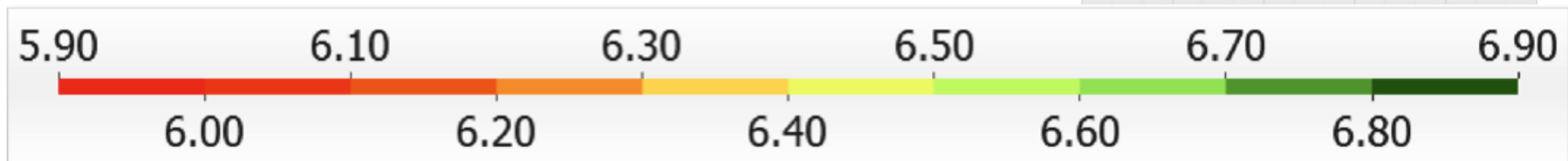
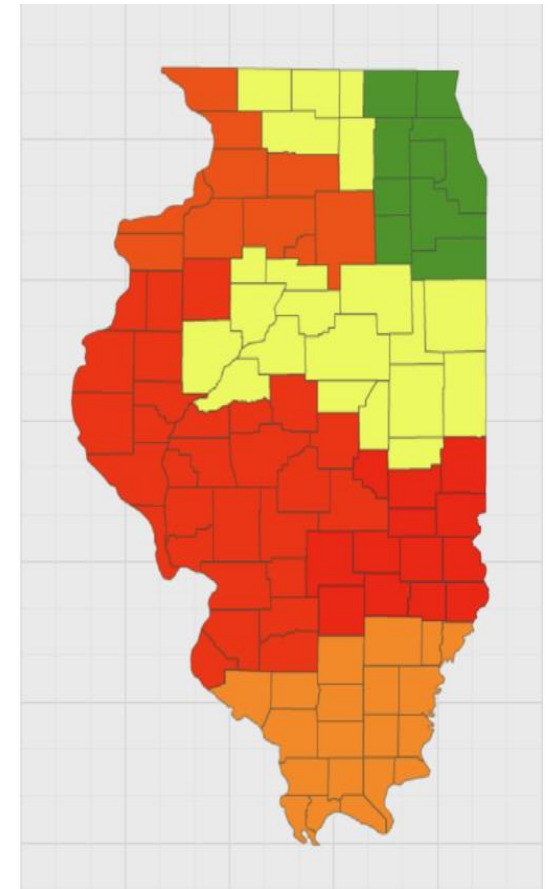
**strategic**  
**networks group**  
the broadband economists

How Should We Measure  
the Rural Digital Divide?

Measure the Utilization  
of Internet Applications

# SNG's Broadband Research in Illinois

- Statewide Study to provide actionable insights on broadband utilization and impacts in Illinois
- Collected broadband metrics over:
  - 4,329 commercial businesses
  - 2,896 community anchor institutions



Average DEi score by region

# Utilization by Region and Industry

Major Industry Category	State-wide	Central	Chicago-land	North Central	Northeast Central	Northern	North-west	Southeast Central	Southern	South-west Central	West Central
Information	6.85	6.39	7.45	7.15	5.67	6.40	6.61	5.71	6.41	6.79	5.76
Finance & Insurance	6.82	6.53	6.99	6.96	7.52	6.58	6.06	6.34	7.32	6.37	6.73
Professional & Technical	6.70	6.56	6.82	7.04	6.38	6.75	6.17	6.18	6.35	6.85	5.03
Manufacturing & Processing	6.68	6.87	6.60	6.78	7.25	6.21	7.56	6.73	6.66	7.50	6.18
Retail & Trade	6.64	6.53	6.75	6.63	6.48	6.76	6.50	7.12	7.26	5.80	6.19
Educational Services	6.48	6.13	6.62	6.96	6.95	6.90	5.93	6.55	5.99	6.38	6.13
Admin & Support	6.39	6.80	6.42	6.66	6.08	7.20	6.03			7.67	7.26
Construction	6.09	5.12	6.30	6.03	6.23	6.03	6.04	5.12	6.66	5.96	6.20
Healthcare & Social Assistance	6.09	5.27	6.29	5.66	5.83	6.61	5.37	6.21	5.95	5.66	6.29
Public Administration	5.38	4.95	6.03	4.96	5.77	5.57	5.03	4.53	4.97	4.83	4.70
Blank cells have insufficient data											

?

**Cross referencing data enables benchmarking and to develop customized strategies.**

# Difference in Utilization between Metropolitan and Non-Metropolitan CAIs

CAI Sector	Metro Median Score	Non-Metro Median Score
Public Safety	5.44	4.85
Local Government Entity	6.41	5.00
Economic Development Agencies	7.67	5.24
Library	7.09	5.53
Other Community Service	6.89	5.92
K-12	6.70	6.02
Health	6.60	6.12

?

**Identify the best users and share their best practices!**

## Digital Divide (Households): by Income and Age

Respondent Age	Household Income			
	Less than \$30,000	\$30,000 to \$49,999	\$50,000 to \$100,000	More than \$100,000
18 to 34 years	6.74	6.96	7.35	7.98
35 to 54 years	6.19	6.07	6.71	7.43
55 to 64 years	4.62	5.60	6.42	6.55
65 years and over	4.02	4.91	5.60	6.44

?



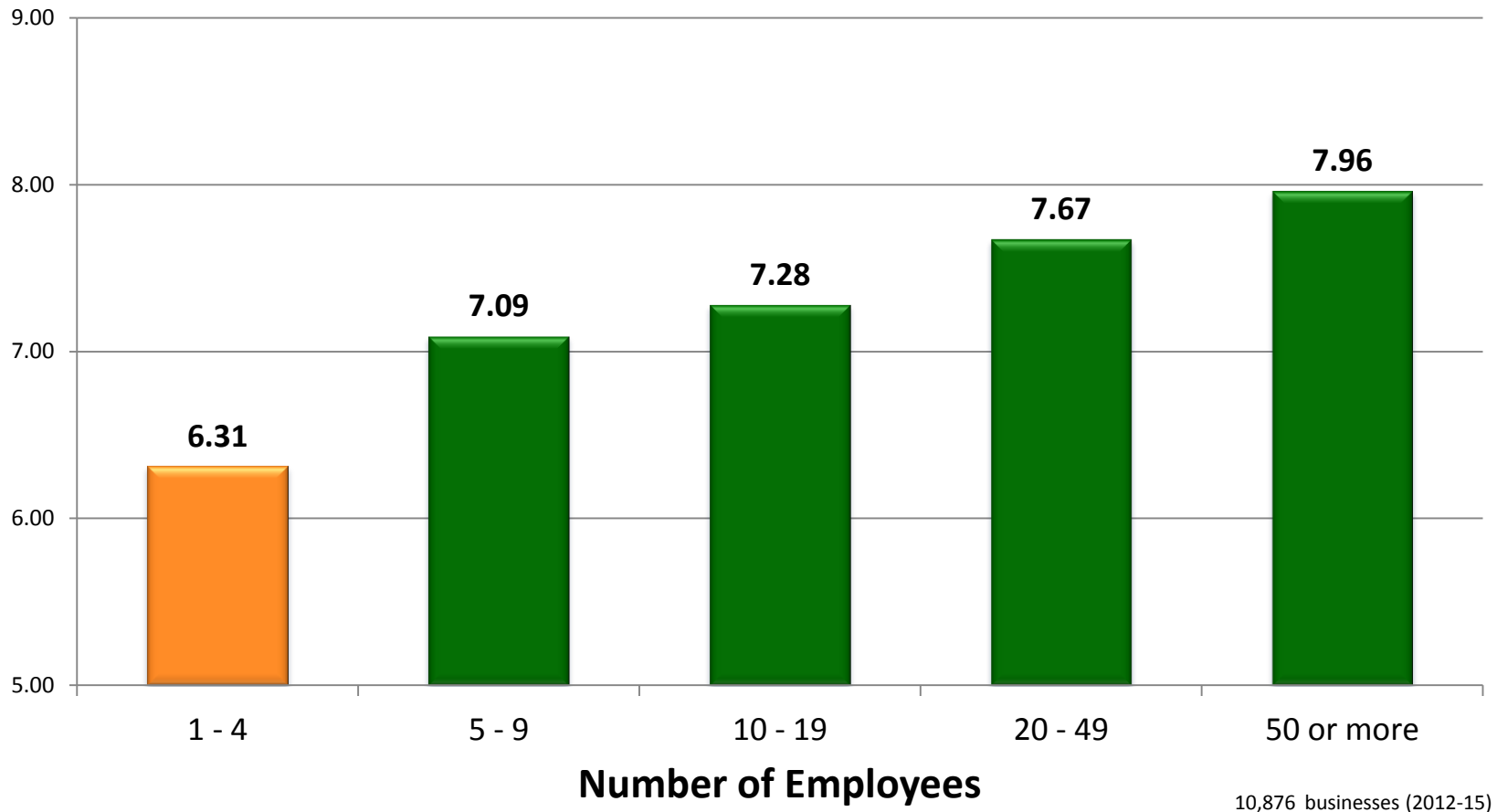
## Digital Divide (Households): by Community Size

Rural-Urban Category	Median DEi Score	# Households
Metropolitan	6.73	1,151
Micropolitan	6.6	416
Small Town	6.35	398
Isolated Small Town	5.96	146

?

# Digital Divide (Businesses): The Smaller the Business, The Lower Their Internet Utilization

## Average DEi Score



10,876 businesses (2012-15)

## Digital Divide (Businesses): by Community Size

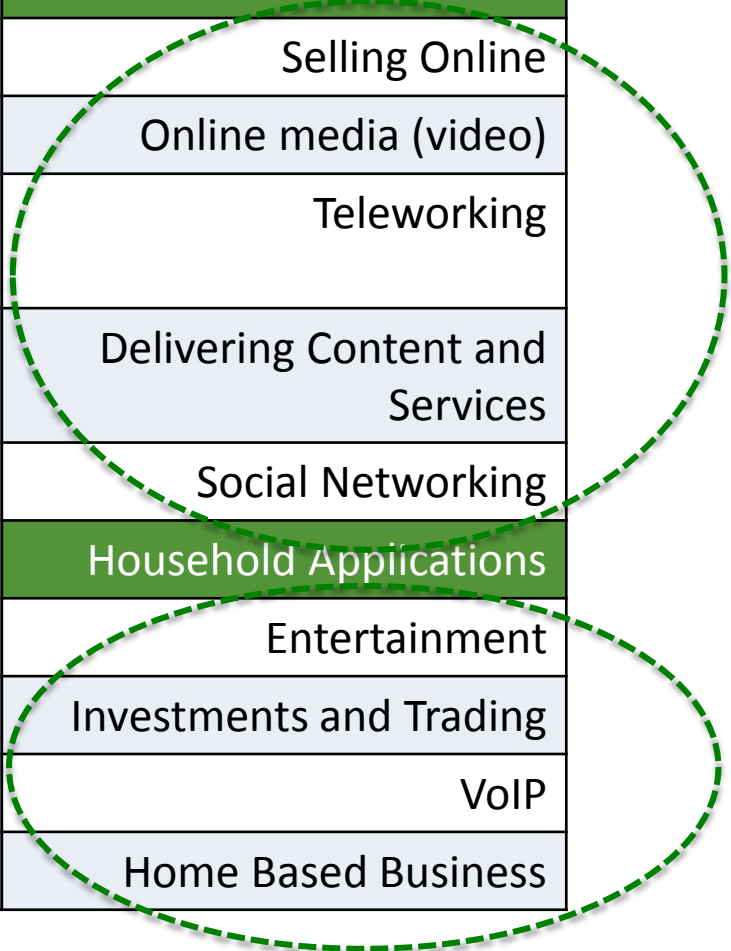
	Median DEi
Metropolitan	7.09
Micropolitan	6.89
Small Town	6.31
Isolated small town	6.12

## Digital Divide (Businesses): by Industry Sector

	DEi Gap, Rural to Urban Median DEi
Manufacturing	<b>-0.24</b>
Retail Trade	<b>-0.88</b>
Information	<b>-0.97</b>
Professional & Technical Services	<b>-1.09</b>
Public Administration	<b>-1.31</b>

# Utilization of Internet Applications – where to focus?

Quick to Adopt 'Laissez-faire' approach	Slow to Adopt Need awareness and support
Business Applications	Business Applications
Buying Online	Selling Online
Basic Website	Online media (video)
Research and accessing information	Teleworking
e-mail	Delivering Content and Services
Document transfer	Social Networking
Household Applications	Household Applications
e-mail	Entertainment
Banking	Investments and Trading
News and Sports	VoIP
Information gathering	Home Based Business



**BIGGEST BENEFITS**

# To Bridge the Divide and Drive Economic Development: Address Gaps and Make a Compelling Case For Broadband



Help individual businesses understand the **benefits** of broadband (not just speed)



Develop a “business case” for each business to take action



Support skills and training of Internet applications

# Thank You



**Michael Curri, President  
Strategic Networks Group, Inc.**

+1 202.558.2128

mcurri@sngroup.com

## Let's connect !

[www.sngroup.com](http://www.sngroup.com)