

ISSUE 1: LATINO INTERNET ADOPTION RATES, DIGITAL DISPARITIES, AND THE COST OF BROADBAND

U.S AND GLOBAL INTERNET USAGE

The past two decades have marked unprecedented growth in Internet usage worldwide. In 2000, just 4% percent of Americans used a broadband Internet connection.¹ By 2013, 72% of Americans had adopted home broadband; however, only 53% of Latinos* had broadband, compared to 74% of Whites.²

The proliferation of mobile Internet connected devices has contributed to a significant growth of Internet usage worldwide.³ Internet usage has grown exponentially since 1995, when only 1% of the world's population had an Internet connection. Today 40%,⁴ or three billion people, are connected to the Internet worldwide.

In the U.S. 60% of Whites and 76% of Latinos access the Internet using a cell phone.⁵ Globally, mobile Internet connections are projected to reach eight billion subscriptions by 2018.⁶

DIGITAL DISPARITIES PERSIST IN THE U.S.

Currently, 98% of American homes are wired for broadband.⁷ While the rate of home broadband adoption has progressively expanded over the last two decades, there remains a digital divide that is manifested in Hispanic, Black, and low-income communities.

- Nationally, only 53%⁸ of Latinos report having home broadband, compared to 64% of Blacks and 74% of Whites.
- Latinos are the least likely of all demographic groups to have home Internet.
- In California, the broadband adoption rate among Latinos has remained at 46% since 2012, even though Latinos⁹ compose two out of five individuals in the state.

- One-third of the U.S. population¹⁰ (over 100 million people) is living without home Internet connections; many are from low-income, Latino, Black, and other vulnerable populations.

DEMOGRAPHICS OF BROADBAND ADOPTION

Internet usage is more prevalent among younger Americans, those with higher levels of educational attainment, and those with greater household incomes.

- Households with an annual income of \$25,000 or less are half as likely to have an Internet connection, compared to households with an income of \$75,000 or more.¹¹
- Younger people and those with higher levels of educational attainment are more likely to have a home Internet connection.¹²

WHY SOME AMERICANS DO NOT GO ONLINE AT HOME

Americans report three primary reasons for not going online at home: lack of interest, prohibitive cost, or lack of a computer.

- 39% of Latinos report not being interested in going online at home, compared to 53% of Whites and 40% of Blacks.¹³
- 37% of Latinos report that a home Internet connection is too expensive, compared to 22% of Whites and 38% of Blacks.¹⁴
- 15% of Latinos report not having a computer, compared to 13% of Whites and 11% of Blacks.¹⁵

* The terms "Hispanic" and "Latino" are used interchangeably by the U.S. Census Bureau and throughout this document to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race.

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THE COST OF BROADBAND IN THE U.S.

The cost of broadband in the U.S. varies significantly based on speed, type of service, and geographic location. Bundled services that include phone, Internet, and cable increase monthly connection rates.

- In 2013 the cost of a home Internet connection was twice as expensive in a U.S. city as in cities with similar sizes and population densities in other countries. During two roundtables with NCLR Affiliate leaders, affordability and lack of provider competition were identified as factors contributing to Latino broadband adoption rates.
- U.S. consumers pay less for Internet connections and get better service in cities where there are at least three companies competing to provide broadband connections.
- In 2013 only 9% of U.S. cities had three or more providers.¹⁶

INTERNET-CONNECTED MOBILE DEVICES

Mobile devices offer an affordable alternative to connect to the Internet. These devices provide a host of important capabilities otherwise not available without a home computer.

- In 2012, 47% of Hispanics lived in cell-phone-only households (i.e., with no computer), compared to 38% of Blacks and 30% of Whites.¹⁷
- 76% of Latinos use mobile devices to access the Internet, compared to 60% of Whites and 73% of Blacks.¹⁸
- Cell phone ownership is highest among Latinos from families with annual incomes above \$50,000 (97%).¹⁹
- 95% of Latinos from families with annual incomes of \$50,000 or greater own a desktop or laptop computer.²⁰

- 76% of Latino smartphone users have a family annual income of \$50,000 or greater.²¹

THE LIMITS OF MOBILE DEVICES

Even though mobile devices offer an alternative to home Internet usage, they are not an adequate substitute for home computers when it comes to accomplishing more complex tasks such as:

- Completing online applications for government benefits
- Submitting a job application
- Video conferencing with a health professional
- Completing school assignments
- Applying for university admission and financial aid

THE INTERNET IS ESSENTIAL TO MODERN LIFE

The Internet has transformed the way we live, work, learn, communicate, and socialize. It has become essential to carrying out life's most basic functions. The Internet increases employment and income, enhances educational opportunities, expands health care access, and improves overall social well-being.

Digital disparities pose disadvantages for Hispanics and low-income communities. Although Internet-connected mobile devices offer an affordable alternative to home Internet connections, these devices are not adequate substitutes for home computers. Instead, the cost of broadband as a primary barrier to Latino home Internet usage must be addressed through a combination of lower costs and expanded subsidized public and private programs.

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ENDNOTES

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- 3 United Nations Broadband Commission for Digital Development, *The State of Broadband 2013: Universalizing Broadband* (New York: The Broadband Commission, 2013), www.broadbandcommission.org/Documents/bb-annualreport2013.pdf (accessed December 2014).
- 4 Internet Live Stats, "Internet Users," www.internetlivestats.com/internet-users (accessed November 2014).
- 5 Mark Hugo Lopez, Ana Gonzalez-Barrera, and Eileen Patten, *Closing the Digital Divide: Latinos and Technology Adoption* (Washington, DC: Pew Research Center, 2013), www.pewhispanic.org/2013/03/07/closing-the-digital-divide-latinos-and-technology-adoption (accessed November 2014).
- 6 United Nations Broadband Commission for Digital Development, *State of Broadband 2013*.
- 7 U.S. Department of Commerce, *Exploring the Digital Nation: America's Emerging Online Experience*. National Telecommunications and Information Administration. Washington, DC, 2013, www.ntia.doc.gov/report/2013/exploring-digital-nation-americas-emerging-online-experience (accessed November 2014).
- 8 Kathryn Zickuhr and Aaron Smith, *Home Broadband 2013*.
- 9 California Emerging Technology Fund, *Updating the "Digital Divide" in California* (San Francisco: California Emerging Technology fund, 2014), www.cetfund.org/progress/annualsurvey (accessed July 2014).
- 10 Kathryn Zickuhr and Aaron Smith, *Home Broadband 2013*.
- 11 Ibid.
- 12 Ibid.
- 13 U.S. Department of Commerce, *America's Emerging Online Experience*.
- 14 Ibid.
- 15 Ibid.
- 16 Danielle Kehl et al., *The Cost of Connectivity 2014* (Washington, DC: Open Technology Institute, 2014), www.newamerica.org/oti/the-cost-of-connectivity-2014 (accessed November 2014).
- 17 Mark Hugo Lopez, Ana Gonzalez-Barrera, and Eileen Patten, *Closing the Digital Divide*.
- 18 Ibid.
- 19 Ibid.
- 20 Ibid.
- 21 Ibid.