

Challenges and Opportunities of the Digital Equity Act

**National Summit on State Planning for Digital and Economic Inclusion
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Welcome and thanks!

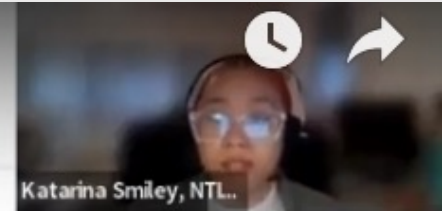
- State, local and national leaders in
 - Digital equity
 - Financial inclusion
 - Economic inclusion
 - Educational Inclusion
- DEI leaders
- Sponsors and partners
 - Wells Fargo
 - Bluum and Avid Products
 - Rosen Digital
 - JPMorgan Chase ([Inclusion Junction](#) support)
- Especially – Venus Lockett and Terry Lee and my NCDE colleagues

Digital Equity Act

Calls for

- Intensive, inclusive need-sensing, action planning & implementing to:
- Remove digital divide barriers of all kinds, including affordable access to:
 - Broadband
 - Devices (with keyboards)
 - Tech support (and multilingual tech support)
 - Digital (plus media and financial) literacy skill development...

Digital inequity disproportionately impacts our stakeholders



DE & BEAD

Covered Populations and Underrepresented Communities

Identity groups and communities disproportionately impacted by digital inequity



Low-income households



Indigenous and Native American persons



People with language barriers



Aging individuals



Members of ethnic and religious minorities



Racial and ethnic minorities



Incarcerated individuals



Women



Rural inhabitants



Veterans



LGBTQI+ persons



Persons adversely affected by persistent poverty or inequality



Persons of Color



Persons with disabilities

What the Digital Equity Act strongly encourages but doesn't require

1. Infusing digital inclusion into robust economic inclusion initiatives that significantly impact **poverty** – e.g.,
 - Diversifying the K12 workforce, infusing digital & media literacy skills
 - Diversifying other living-wage workforces with such literacies...
2. Growing strategic partnerships to augment federal digital equity funding and sustain efforts after fed funds expire

Digital equity funds can support “systemic inclusion”

- **Financial inclusion** (integrate digital literacy skill development, coordinated outreach, broadband access...) with
 - Financial literacy for K12, financial aid borrowers, & apprentices en route to living-wage income)
 - Low-cost/free checking accounts w/no bounced-check or other fees
- **Economic Inclusion** (integrate digital literacy skill development, coordinated outreach, broadband access...) with
 - Diversifying the state’s K12 workforce
 - Diversifying banking workforce & other in-demand living-wage fields
- **Educational Inclusion** (integrate digital literacy skill development, coordinated outreach, broadband access...) with
 - Addressing the homework gap for students & their families and educators
 - Equipping current & future teachers to address “The Last Yard”
 - Equipping children & families with skills to minimize downsides of much greater access – device/social network addiction, data privacy, cyberbullying...

Potential for Community Reinvestment Act (CRA) to Augment & Sustain Digital Equity Funding

- Good News
 - Federal CRA statute passed in 1977, requires FDIC-insured banks invest in economic opportunity in “LMI” areas = **\$480 billion/year**
 - Lots of good purposes for which banks allocate CRA funds (entrepreneurship assistance, home lending for moderate-income borrowers, financial literacy, Bank On accounts...)
 - Besides funding, banks also support a LOT of paid employee release-time – ***armies*** of bank volunteers that could combine financial literacy and Bank On with signing up LMI households for Affordable Connectivity Program & other digital equity resources

Potential for Community Reinvestment Act (CRA) to Augment & Sustain Digital Equity Funding

- “Bad News” for those seeking CRA funding
 - Banks do not issue requests for proposals for CRA funding
 - Job #1 of bank CRA officers is to ensure fed examiners understand and like what they see
 - So powerful pressure to do with CRA budget this year what did last time examiners reviewed and approved what the bank’s CRA resources supported
- Really good news
 - With patience, collaborative spirit and incremental approach...

“One Percent for Digital Equity”

- NCDE and our network with 16 other State Bank On coalitions ready to assist state digital equity planners and banking leaders patiently develop robust partnerships that encourage and assist banks to voluntarily commit 1% of CRA funds for digital equity
- \$5 billion every year
- With impatience, distrust or arrogance, little to no CRA funds likely go to digital equity, because:
- Banks already know they **can** support digital equity in LMI areas but don't **have** to, can rationally keep doing what have done, a very sane response to compliance pressures

“One Percent for Digital Equity”

- NCDE/State Financial Empowerment Leaders Network – with state digital equity funding – help interested states
 - Get everyone banked
 - Create capacity to equip all LMI HS students, financial aid applicants and apprentices financially literate
 - Create new/expand existing apprenticeship programs to expand the state’s banking workforce
 - Help banking leaders learn why & how remove digital divide barriers to
 - Their banking services
 - Impacts on poverty of their corporate giving and CRA investments

Questions & Suggestions?



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