From Out Here: On the Digital Divide

By Jack M. Geller, Ph.D.

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The Digital Divide — that metaphorical gap between the digital "haves" and "have-nots" — has been a hot topic in policy circles for the past 24 months. Contemporary research suggests that there is still a sizable digital divide between lower-income and higher-income, white and non-white, as well as disabled and non-disabled Americans. However, data collected both here in Minnesota and nationally suggest that the digital divide between urban and rural residents is actually quite small and may even be non-existent. Earlier this year the Center for Rural Policy and Development commissioned a statewide poll of 1,200 rural Minnesota households to measure their computer and Internet use. The results were then compared to national and statewide estimates as reported by the National Telecommunications Information Administration, a division of the U.S. Department of Commerce.

According the national NTIA report, an estimated 57 percent of all Minnesota households have a home computer, compared to 51 percent nationally, and 43 percent of Minnesota households have Internet access (41.5% nationally). Eighty percent of all Internet users nationally use e-mail regularly. In comparison, our survey found that 60 percent of *rural* Minnesota households own a computer; 47 percent have Internet access; and 94 percent of those Internet users use e-mail regularly.

Comparing the NTIA data to our Center's data is always tricky, since adoption rates for computers and the Internet seem to change so rapidly. However, the data should ease the minds of those who are concerned that rural Minnesotans are becoming technophobes in the digital revolution. Rather, such findings clearly tell us that rural Minnesotans are adopting digital technology at rates equal to or above the national average.

Such numbers do not mean that rural Minnesota is out of the digital woods, however. While rural residents may be going online at or near the same rates as their urban counterparts, the way they connect to the Internet can be very different. I'm referring specifically to the absence of access to high-speed, or broadband, services throughout much of rural Minnesota. In an April 2001 draft report the Minnesota Department of Administration reported that while in Minnesota's metro areas 60 percent of households have access to high-speed DSL and 75 percent have access to high-speed cable modems (i.e., would be able to purchase this service if they wanted to), only 5 percent of greater Minnesota households have similar access. This "broadband divide" is of great concern to rural communities, economic developers and rural telecommunications advocates.

Unfortunately, it looks like we may be stuck in this broadband divide for some time, primarily due to the slow adoption of these high-speed services by rural residential customers.

While larger business customers may be demanding broadband services, many of the rural telecommunications companies offering these higher-end services are reporting extraordinarily low subscription rates. In fact, anecdotal information from telecom providers suggests that only about 4 percent of rural customers with access to these high-speed services are purchasing them.

Which leads to the obvious question: if there is such a fuss about rural Minnesotans having access to advanced telecom services, why are so few purchasing the service when it becomes available? My theory is simple — the applications that will revolutionize the way we use the Internet aren't here yet. Consequently, many residential customers who adopt broadband services today are, as they say in Las Vegas, "betting on the come."

To understand my logic, do this simple exercise. Think about everything you do on the Internet today and place it in one of two categories:

- Category I consists of those Internet sites that you can visit and things you can do (e.g., e-mail) with either a broadband connection or a dial-up connection, where the only difference broadband would make is speed.
- Category II consists of those Internet sites or functions that will only really work well with a broadband connection (e.g., streaming video or transferring really large data files).

Now answer this question: what percentage of sites are in Category II? If you are like most of us, the answer is less than 5 percent. The reality is that right now, broadband provides residential customers additional speed and convenience, but is that additional speed and convenience worth an additional $20-$35 per month? We can still send our e-mail, casually surf the web and occasionally purchase items with our 56K dial-up connection. Consequently, most rural customers conducting the mental cost-benefit analysis have concluded that the value is not there — yet.

I say yet, because I have no doubt that in the future, as we integrate the Internet further into our daily lives, we will all demand and get broadband connections. The technology will improve and broadband prices will plummet. However, in most communities today, we still can't even purchase a dog license from City Hall online — yet.

So here's what it boils down to: the good news is that contrary to some concerns, rural Minnesotans are embracing the digital age and logging onto the Internet at rates equal to or higher than the national average. The bad news is that rural Minnesotans overwhelmingly connect to the Internet using slow, dial-up connections, due either to a lack of access to broadband services, or an inability to see how it benefits them at this time. Only when we have uses for broadband that balance the price of broadband will we see significant progress in the adoption of this technology.

(*Dr. Geller is President of the Center for Rural Policy and Development at Minnesota State University, Mankato. He can be reached at jack.geller@mnsu.edu.*)