Closing the Digital Divide on the Southwest Border:
Why Digital Equity is Vital for a Strong Economy

Jordana Barton, MPA
Federal Reserve Bank of Dallas
San Antonio Branch

Southwest Border Colonias
A Regional Conference on Habitat III
University of Texas at El Paso
June 22-23, 2016
Internet Adoption in the United States by County: 2013
Source: U.S. Census Bureau, 2013 American Community Survey.
The Digital Divide on the Border

Of the 381 metropolitan areas in the US, those with the lowest rates of computer ownership and internet use by individuals include three Texas border MSAs.

Computer Ownership and Broadband Access Gaps in Texas Metro Areas

92.0% - Regional computer ownership high
82.8% - Regional broadband access high

<table>
<thead>
<tr>
<th>City</th>
<th>% with computer</th>
<th>% with broadband access at home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laredo</td>
<td>69.3%</td>
<td>-22.7%</td>
</tr>
<tr>
<td>Brownsville-Harlingen</td>
<td>71.7%</td>
<td>-20.3%</td>
</tr>
<tr>
<td>McAllen-Edinburg-Mission</td>
<td>75.6%</td>
<td>-16.4%</td>
</tr>
<tr>
<td>Austin-Round Rock</td>
<td>55.2%</td>
<td>-27.6%</td>
</tr>
</tbody>
</table>

Household Income and Households Without Internet Access

Median Household Income in U.S. Cities with 100,000+ Households

- Detroit
- El Paso
- Austin
Why are computer and Internet use important?

Commerce

Employment

Access to Banking

Government Services

Healthcare

Sharing information

Education

Workforce Development & Training
• Of the top 100 unbanked “places” (cities, towns, or census designated places with more than 250 households), 36 are in Texas.

• Starr County, TX is the most unbanked county in the country -- 32.7% of households are unbanked and 28.2% of households are underbanked.

• Of counties with more than 100,000 households, Hidalgo County, TX has the highest proportion of unbanked households (21.6%).

NOTE: Estimates at smaller geographies are derived from CFED’s statistical modeling process using the FDIC and 2008-12 American Community Survey data. The figures are geographic estimates and are not meant to directly reflect the FDIC data. Caution should be used in interpreting the local estimates as the statistical model is based on national surveys of fewer than 50,000. For more information see: http://localdata.assetsandopportunity.org/methodology/unbanked-rate.

SOURCE: Corporation for Enterprise Development, Assets and Opportunity Local Data Center. Based on the 2011 FDIC National Survey of Unbanked and Underbanked Households.
The Headlines: Worsening Wealth Inequality

Wealth by Race and Ethnicity, 2007-13

Median net worth of households, in 2013 dollars

ALL HOUSEHOLDS
- 2013: $81,400
- 2010: 82,300
- 2007: 135,700

WHITE
- 2013: 141,900
- 2007: 138,600
- 192,500

BLACK
- 2013: 11,000
- 16,600
- 19,200

HISPANIC
- 2013: 13,700
- 16,000
- 23,600

Note: Blacks and whites include only non-Hispanics. Hispanics are of any race.
Source: Pew Research Center tabulations of Survey of Consumer Finances public-use data
Digital Opportunity for the Rio Grande Valley (DO4RGV)

**Project Scope**
The DO4RGV demonstration project is focused on creating a sustainable and replicable model to close the digital divide in the entire RGV region. The project will address two areas:

- **Infrastructure** - DO4RGV is mobilizing resources and working with local governments, PSJA ISD and the City of Pharr, to build and own their own middle mile broadband network.

- **School District** - Students and families from PSJA will be provided with computers, broadband access, bilingual training and technical support for youths and adults.
Closing the Digital Divide
A Framework for Meeting CRA Obligations