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**CLOSING DIGITAL DIVIDE – FIRST IN NATION REPORT OUTLINES
ROLE OF FINANCIAL INSTITUTIONS IN ACHIEVING DIGITAL EQUITY
Internet Access Enables Full Economic Participation**

Los Angeles and Sacramento, California – February 13, 2024. California Emerging Technology Fund (CETF) applauds the visionary report by Rise Economy (formerly California Reinvestment Coalition). *Bridging the Digital Divide: An Action Plan for Financial Institutions*, is the first-ever publication to outline strategies for banks, savings associations, and state-chartered financial institutions to promote broadband Internet access and adoption. The Report distinguishes banks as community anchor institutions that have a specialized opportunity and responsibility to help achieve Digital Equity.

More than 2.4 million people in California and 800,000 households are digitally-disadvantaged. This includes 18.8% of low-income residents, 15.5% of Latino families, and 18.6 of non-English speaking households, who are the most vulnerable and face significant challenges in accessing high-speed Internet and digital literacy. Investment in Digital Access is an investment in California’s economy. Digital access is a 21st Century Civil Right.

The Report highlights how banks can promote financial inclusion, invest in broadband projects, and partner with nonprofits, public agencies and community members to achieve Digital Equity by leveraging bank expertise, resources and infrastructure. It encourages banks to adopt closing the Digital Divide with urgency, which will also enable banks to “leverage billions of dollars of federal and state investments in local communities, while receiving Community Reinvestment Act (CRA) credit as an incentive for action while helping meet community needs.”

Support and praise for this unique and timely Report has been widespread among leaders in business, government and with digital equity stakeholders. “The California Emerging Technology Fund is very pleased to join Rise Economy in releasing this Report on the prospective role of financial institutions in closing the Digital Divide. It is a groundbreaking concept to engage banks in partnering to achieve Digital Equity while earning credits under the federal Community Reinvestment Act. CETF has proposed a Digital Equity Fund capitalized by financial institutions as part of their CRA obligations to provide affordable computing devices for low-income households getting connected to the Internet and completing digital literacy training. We were honored to partner with Rise Economy in this study and welcome financial institutions leading the way to assist their customers and

communities in being able to participate in the digital economy,” stated Sunne Wright McPeak, President and CEO of the California Emerging Technology Fund.

The *Bridging the Digital Divide* report spotlights the groundbreaking “first-in-the-nation” Community Benefits Agreement (CBA) negotiated between U.S. Bank and Rise Economy and National Community Reinvestment Coalition to invest in digitally-disadvantaged communities, which includes significant commitments, such as: \$10 million investment over five years with \$5 million set aside for California and create a Community Affairs Team focused on strategic outreach, investment, and support for rural and Native American communities with a substantial focus on California; and Invest \$200 million in foundation grants and corporate contributions over five years in California, a 58% increase over U.S. Bank and Union Bank’s previous combined foundation and Corporate Social Responsibility (CSR) baseline.

"Our Report, *Bridging the Digital Divide: An Action Plan for Financial Institutions*, presents strong evidence that banks and other financial institutions can play a vital role in addressing the historical injustices of redlining and disinvestment in BIPOC communities. The Report not only highlights these issues but also provides strategic recommendations for banks and financial entities to effectively leverage state and federal resources for funding broadband access to help bridge the Digital Divide," proclaimed Rise Economy Chief Executive Officer Paulina Gonzalez-Brito.

Kaina Pereira, Senior Advisor for Business Development, Governor’s Office of Business Development (GO-Biz) states, “Banks are fundamental to our economy, and they are uniquely positioned to provide key leadership in the financial sector to close the Digital Divide. We congratulate Rise Economy for its vision reflected in this report, which includes invaluable and attainable strategies that, once again, demonstrate California’s innovation and nationwide leadership in service to Digital Equity.”

The Rise Economy Report is available at <https://www.cetfund.org/report/bridging-the-digital-divide-an-action-plan-for-financial-institutions/>.

The California Emerging Technology Fund (CETF) is in the process of establishing the California CRA Digital Equity Fund which will qualify financial institutions to receive CRA credit. It is scheduled to be available for contributions by March 2024. In the meantime, financial institutions, other industries and companies, and individuals can donate to the CETF Digital Equity Fund for a charitable donation. All donations are used to purchase computing devices for low-income households enrolling in the federal Affordable Connectivity Program (ACP) and completing digital literacy training. CETF administers the Digital Equity Fund pro bono so that 100% of donations benefit digitally-disadvantaged residents. Donations are welcome at: <https://www.cetfund.org/donate/>

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About California Emerging Technology Fund

CETF is a statewide non-profit foundation with the mission to close the Digital Divide in California. CETF provides grants to non-profit community-based organizations (CBOs) to assist low-income households adopt broadband and become digitally proficient, and leads and manages School2Home to successfully integrate technology into teaching and learning with deep parent engagement to close

the Achievement Gap in middle schools in low-income neighborhoods, and promotes Digital Inclusion in public policy to achieve Digital Equity. Through collaborative efforts with government, industry, and community partners, CETF works to promote Digital Inclusion Ecosystems that empower individuals and communities to thrive in the Digital Age. For more information, please visit www.cetfund.org.