Digital Poverty in the UK: Executive Summary
A socio-economic assessment of the implications of Digital Poverty in the UK
September 2023
Important notice from Deloitte

This executive summary (the “Executive Summary”) has been prepared by Deloitte LLP ("Deloitte") for the Learning Foundation in accordance with the contract with them dated 26 April 2023 ("the Contract") and on the basis of the scope and limitations set out below.

The Executive Summary has been prepared solely for the purposes of conducting an assessment of the scope, scale and impacts of digital poverty in the UK. It should not be used for any other purpose or in any other context, and Deloitte accepts no responsibility for its use in either regard.

The Executive Summary is a summary of the final full study, titled “Digital Poverty in the UK: A socio-economic assessment of the implications of digital poverty in the UK”. The Executive Summary should be read in conjunction with the full study. Only the final full study should be regarded as definitive.

The Executive Summary is provided exclusively for Learning Foundation's use under the terms of the Contract. No party other than the Learning Foundation is entitled to rely on the Executive Summary for any purpose whatsoever and Deloitte accepts no responsibility for its use in either regard.

As set out in the Contract, the scope of our work has been limited by the time, information and explanations made available to us. The information contained in the Executive Summary has been obtained from the Learning Foundation and third-party sources that are clearly referenced in the appropriate sections of the Executive Summary. Deloitte has neither sought to corroborate this information nor to review its overall reasonableness. Further, any results from the analysis contained in the Executive Summary are reliant on the information available at the time of writing the Executive Summary and should not be relied upon in subsequent periods.

All copyright and other proprietary rights in the Executive Summary remain the property of Deloitte LLP and any rights not expressly granted in these terms or in the Contract are reserved.

Any decision to invest, conduct business, enter or exit the markets considered in the Executive Summary should be made solely on independent advice and no information in the Executive Summary should be relied upon in any way by any third party. This Executive Summary and its contents do not constitute financial or other professional advice, and specific advice should be sought about your specific circumstances. In particular, the Executive Summary does not constitute a recommendation or endorsement by Deloitte to invest or participate in, exit, or otherwise use any of the markets or companies referred to in it. To the fullest extent possible, both Deloitte and the Learning Foundation disclaim any liability arising out of the use (or non-use) of the Executive Summary and its contents, including any action or decision taken as a result of such use (or non-use).

13-19 million people aged 16+ in the UK (or 24-34% of this sub-population) are estimated to be in Digital Poverty.
Digital Poverty in the UK: Executive Summary

To support an improved understanding of Digital Poverty in the UK and highlight why it deserves attention, this study provides a high-level assessment of the scope and scale of Digital Poverty, and the potential socioeconomic impacts of resolving this issue.¹

**Definition of Digital Poverty**

Digital Poverty is defined by the Digital Poverty Alliance (DPA) as: “the inability to interact with the online world fully, when, where, and how an individual needs”.

This captures how those unable to interact online as needed are increasingly excluded from opportunities in the economy and society, with important consequences for government and private sector businesses. But this definition is normative and not ‘measurement oriented’.

This report develops a new ‘measurement oriented’ definition of Digital Poverty that is based on the DPA’s existing definition.

This definition is set out opposite. This is intended to help identify who is in Digital Poverty and quantify the scale of the problem – by capturing the majority of individuals that fall within the DPA’s existing definition.

---

¹ Please note, this document is a summary of the full study, titled “Digital Poverty in the UK: A socio-economic assessment of the implications of digital poverty in the UK”. It is recommended that the full study is read to obtain further detail. Only the final full study should be regarded as definitive.

---

**What is Digital Poverty?**

In this report, individuals are in Digital Poverty when they do not have digital skills, devices, connection and/or cannot get online regularly. Across four dimensions, this includes those who:

- lack access to an adequate connection at home (i.e., download speed less than 10Mbps); or
- lack access to the appropriate devices to get online at home (i.e., both a smart phone and a personal computer/tablet); or
- lack appropriate skills to effectively engage online in different settings (i.e., do not have full foundation, life and work essential digital skills – as defined by the Department for Education); or
- fail to regularly get online (i.e., at least once per week) due to either physical/space barriers or a lack of confidence or motivation (e.g., no safe space in the case of a child, no supporting equipment in the case of someone with a disability).
Digital Poverty impacts a significant number of UK citizens.

Digital Poverty is a widespread issue across the UK and is more significant than suggested by existing literature.²

It is multi-faceted, with many individuals deprived across multiple dimensions.

〜13-19m

people aged 16+ (or 24-34% of this sub-population) are estimated to be in at least one dimension of Digital Poverty.

〜1 in 7

are deprived across two or more dimensions.

〜1 in 17 are deprived across all dimensions of Digital Poverty (i.e. severe Digital Poverty).

It is strongly associated with age...

~1 in 2 older adults are in Digital Poverty, and ~1 in 5 are in severe Digital Poverty.

Younger adults are more likely to be impacted than middle aged adults.

...and gender...

Women are ~14-22% more likely to be in Digital Poverty than men.

2. The statistics in the infographic are based on the estimates of Digital Poverty as estimated in Chapter 5 of the full study. Where appropriate, this provides the range across lower and upper bound estimates of Digital Poverty. Unless otherwise specified, where a range of Digital Poverty estimates is not presented, the approximate midpoint of the range is presented. The exception to this is for severe Digital Poverty – as this is only defined within the upper bound estimates. Estimates for children are not based on a nationally representative sample and are therefore more uncertain.
...and socio-economic circumstance...

~1 in 2

individuals living in DE households\(^3\) are in Digital Poverty.

...and impacts children.

~20%

of children are estimated to be impacted by Digital Poverty.

Digital poverty varies spatially too, but patterns differ for digital skills.

Northern Ireland and Scotland are most impacted when focusing only on digital connectivity, device and participation gaps.

Northern Ireland and Wales appear most impacted when digital skills gaps are factored in.

The unemployed are ~2-3 times as likely to be in Digital Poverty than the employed.

---

3. A, B, C1, C2, D and E is a socio-economic classification for households, produced by the Office for National Statistics (ONS). DE households are those in the two lowest socio-economic classification categories – including households whose chief income earners are in semi-skilled occupations, unskilled manual occupations, casual occupations, the lowest grade occupations, unemployed with state benefits, or are state pensioners.
Assessing the benefits of eliminating Digital Poverty

It is estimated that interventions to eliminate Digital Poverty could be associated with a range of illustrative benefits – set out below. This suggests that billions of pounds in benefits for individuals, government and businesses could be unlocked each year by eliminating Digital Poverty and ensuring basic digital needs are met for all individuals. The most significant benefits appear likely to be realised through positive impacts on human capital and productivity.

However, this high-level assessment focuses on providing only illustrative evidence to give a sense of the scale and scope of the issue. Further work to assess the full extent of the benefits associated with particular outcome categories or specific interventions will therefore be important.4

4. These are static, illustrative estimates that do not account for broader equilibrium impacts across the economy. They are based predominately on assumed supply side changes that rely on equivalent demand, and at this stage that demand is assumed, and impacts would vary with macroeconomic conditions. These estimates do not consider second order impacts, some of which may work in the opposite direction and thus offset some of the estimated potential benefits. For example, an increase in effective disposable income through lower online prices would mean more consumption for the individual but some product market displacement where purchases are substituted. In this example there could be a more efficient and equitable allocation of resources, but this would not translate 1:1 to increases in GDP. For these reasons, and because the estimates are not all measuring the same value, they should not be added together to produce an implied total figure.

5. Eliminating Digital Poverty is a long-term goal that will be challenging to achieve. Despite this, it is useful to frame the analysis from this perspective for two reasons. First, because it aligns with the vision the DPA has set for eliminating Digital Poverty by 2030; and second, because it is a lens that helps to quantify the full scale of the potential benefits associated with addressing Digital Poverty.
## Digital Poverty in the UK: Executive Summary

<table>
<thead>
<tr>
<th>Size of population that stand to benefit per year</th>
<th>Illustrative estimates of potential benefits per year</th>
<th>What this estimates captures</th>
<th>Key categories of benefits to consider in further work</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-13m</td>
<td>£2 billion in time value</td>
<td>Time savings from use of a banking and e-government services by those moving out of Digital Poverty</td>
<td>Adoption of other digital services and reduced time travelling</td>
</tr>
<tr>
<td>n/a</td>
<td>£1 billion savings in GP practices alone</td>
<td>Reduced GP costs due to increased uptake of digital health services by those moving out of Digital Poverty</td>
<td>The adoption of broader digital NHS services</td>
</tr>
<tr>
<td>46-56k</td>
<td>£1 billion in earnings</td>
<td>Employment benefits gained from increased online job matching among unemployed</td>
<td>GVA to employers</td>
</tr>
<tr>
<td>n/a</td>
<td>Up to nearly £1 billion in efficiency savings</td>
<td>Cost savings from uptake of digital transactional services by those moving out of Digital Poverty</td>
<td>Savings due to adoption of local government and other public sector digital services</td>
</tr>
<tr>
<td>3-4m</td>
<td>18-24k lives saved</td>
<td>Reduced mortality for adults aged 65+ due to improved health literacy</td>
<td>Benefits of reduced mortality; benefits for younger individuals</td>
</tr>
<tr>
<td>137-196k</td>
<td>1-2k lives saved and 2-3k fewer in-patients visits</td>
<td>Mortality and hospitalisation declines due to telemedicine access among for chronic heart disease patients</td>
<td>Other benefits of reduced mortality; other chronic conditions</td>
</tr>
</tbody>
</table>
Conclusions

Digital Poverty is a pervasive issue that impacts not only the oldest in society who have been unable to keep pace with technological advancements, or those with acute affordability issues, but individuals of all ages and socio-economic backgrounds.

This assessment highlights eight key priority areas for action that could support the elimination of Digital Poverty and realisation of some of the key associated benefits, linked to stakeholders across all ages and sectors:

1. Supporting affordable access to appropriate devices for all: One way this is already being delivered is through private-charity sector device bank initiatives that encourage device donation and recycling – such as the Digital Poverty Alliance’s Tech4Families and Good Things Foundation’s National Device Bank.

2. Ensuring quality connectivity for the most vulnerable: Extending support for broadband investment into rural areas (such as continuing the Project Gigabit programme) will also remain important, as will public and private collaboration to support affordable broadband pricing (such as via a reform to the framework underpinning social tariffs).

3. Providing upskilling and information sharing support to the adult population: A lack of digital skills is the most prominent dimension of Digital Poverty – impacting roughly 22% of the 16+ population in the UK. There is thus value in designing digital literacy programs that enable all working-age individuals across society to learn and apply key digital capabilities, regardless of background or context. Targeted interventions to support older adults in maintaining these skills will also be important.

4. Addressing existing gaps in the schooling system related to digital skills: Given the potential human capital and productivity benefits to be unlocked, educational reforms that ensure all children are equipped with basic digital skills before leaving school could be associated with significant benefits. This will arguably be more important over the long-term than workforce initiatives and could include the design and implementation of a nation-wide ICT (information and communication technology) skills curriculum.

5. Prioritising inclusive design and online safety: Accessible and safe design that enables access but limits online harms is key to ensuring different segments of the population, including children, have their basic digital needs met. While government initiatives are paving the way and providing a supportive regulatory framework (e.g., the Online Safety Bill), continued effort and coordination across the private sector to apply appropriate protections will be important.

A lack of digital skills is the most prominent dimension of Digital Poverty – impacting roughly 22% of the 16+ population in the UK.
6. Exploring novel solutions, such as incentivising digital adoption via trusted devices or tools: Vulnerable groups experiencing Digital Poverty may be uninterested in engaging with the digital world due to obsolete skills, a lack of trust, or a poor understanding of the potential benefits of doing so. Exploring novel interventions, such as encouraging digital adoption through trusted sources (e.g. phasing out non-smart TVs to incentivise digital adoption among older adults) or introducing initiatives whereby children are incentivised to help their grandparents gain digital skills (e.g. by providing both the child and grandparent with a digital badge per digital skill acquired), may be a route to addressing this.

7. Improving data and evidence: There is an acute need for further data collection and research development to build on this report and further society’s understanding of Digital Poverty. For example, currently no publicly available survey or dataset exists which effectively captures all relevant dimensions of Digital Poverty.

8. Addressing the underlying socio-economic issues that drive Digital Poverty: Gaps in connectivity or skills are also often a function of underlying socio-economic issues such as income poverty or illiteracy. Initiatives to address such issues will support interventions targeted directly at alleviating Digital Poverty (and vice versa) and will require action across a range of private, public and third sector organisations.

Ensuring effective intervention will also require:

- Collaborative action between various actors: This will be important given the range of stakeholders across private sector, charities, community and social impact organisations, and the government and wider public sector.

- Coordination and action by government: To ensure effective and efficient communication and collaboration across such a broad set of stakeholders, a coordinating and convening role will need to be played by government – particularly given the welfare/distributional benefits of tackling Digital Poverty. In some circumstances, particularly where linked to government’s role in supporting social welfare, maintaining minimum living standards, and basic service access, there is also scope for more active government intervention – as seen to address related social issues of income, food and fuel poverty. In this context, a comprehensive policy strategy to address Digital Poverty and promote digital inclusion could help drive positive outcomes.

Introducing initiatives whereby children are incentivised to help their grandparents gain digital skills (e.g. by providing both the child and grandparent with a digital badge per digital skill acquired).