
The State of Digital Equity in America

A briefing on federal funding, AI access, broadband policy, and structural disparities. Every figure is cited to its source.

September 2026

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AGI AFFINITY

DIGITAL EQUITY RESEARCH



The Federal Safety Net Is Being Rewritten

A briefing on America's digital equity landscape

The Affordable Connectivity Program ended on June 1, 2024. The Digital Equity Act's grant programs were terminated in May 2025 and are now in court. BEAD has been restructured, and the first BEAD-funded homes were connected in 2026. Meanwhile an AI divide is opening between the communities that can use these tools and those that cannot.

This briefing covers affordability, infrastructure, the AI divide, federal policy, and the communities most at risk.

\$14.2B

What happened to the Affordable Connectivity Program?

\$42.45B

Where does BEAD stand in 2026?

51%

Of U.S. adults do not use AI chatbots. Who is left out?

\$2.75B

What happened to the Digital Equity Act?

About This Research Briefing

Figures come from federal agencies (FCC, NTIA, USAC), Pew Research Center, the OECD, the World Economic Forum, and other named sources listed on each page. Status is current as of September 2026.

The Digital Divide by the Numbers

Key figures, each cited on the pages that follow

23M+

Households enrolled in the ACP when it ended (FCC)

46%

Of adults earning under \$30K lack home broadband (Pew 2025)

56

BEAD Final Proposals approved by NTIA (Sept. 2026)

15-16M

K-12 students lacked internet or a device in 2020 (BCG, Common Sense)

Deploy

BEAD allocated \$42.45 billion. All 56 Final Proposals are approved, NIST has approved 55, and 54 award agreements are signed. The first BEAD-funded household was connected in Nebraska in May 2026.

Reshape

The ACP ended June 1, 2024. In a National Lifeline Association survey, 40% of respondents cut food spending to afford internet and 36% discontinued telehealth.

Invent

78% of organizations used AI in 2024 (Stanford HAI). The World Economic Forum projects 92 million jobs displaced and 170 million created by 2030.



SECTION ONE

The Affordability Crisis

The Affordable Connectivity Program ended on June 1, 2024. More than 23 million enrolled households lost their monthly broadband discount.



The ACP Ended. Families Are Paying the Price.

Affordable Connectivity Program ended June 1, 2024

✓ THE PROGRAM (FCC)

23M+

Households enrolled

\$30

Monthly discount (\$75 on Tribal lands)

Dec 2021

Program launched

\$14.2B

Total program funding

⚠ AFTER ACP (NaLA SURVEY, JAN. 2025)

40%

Cut food spending to afford internet

36%

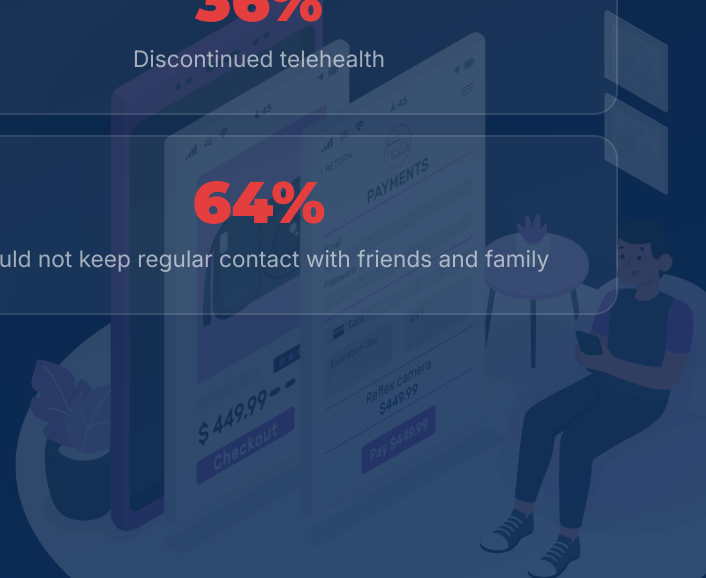
Discontinued telehealth

~20%

Report children struggling to complete homework

64%

Could not keep regular contact with friends and family



The Human Cost of Losing Connectivity

Post-ACP impact and bipartisan support for broadband subsidies

72%

Could not pay for internet monthly without ACP/Lifeline support

31%+

Had no internet access without ACP/Lifeline benefits

70%

Rely on ACP/Lifeline benefits to access healthcare services

80%+

Of Lifeline/ACP subscribers live at or below the poverty line

VOTERS WHO SUPPORT CONTINUING THE ACP

Democrats

95%

Independents

70%

Republicans

64%

All voters

78%

Support crosses party lines

Nearly two-thirds of Republican voters in the Digital Progress Institute's polling supported continuing the ACP. Congress did not renew its funding.

SECTION TWO

The Infrastructure Gap

\$42.45 billion was allocated through the BEAD program. Every state plan is now approved, and the first homes were connected in 2026.



\$42.45 Billion Allocated. Deployment Has Only Begun.

BEAD status, NTIA Progress Dashboard dated September 8, 2026

Final Proposals submitted

56

Approved by NTIA

56

Approved by NIST

55

Award agreements signed

54

May 2026

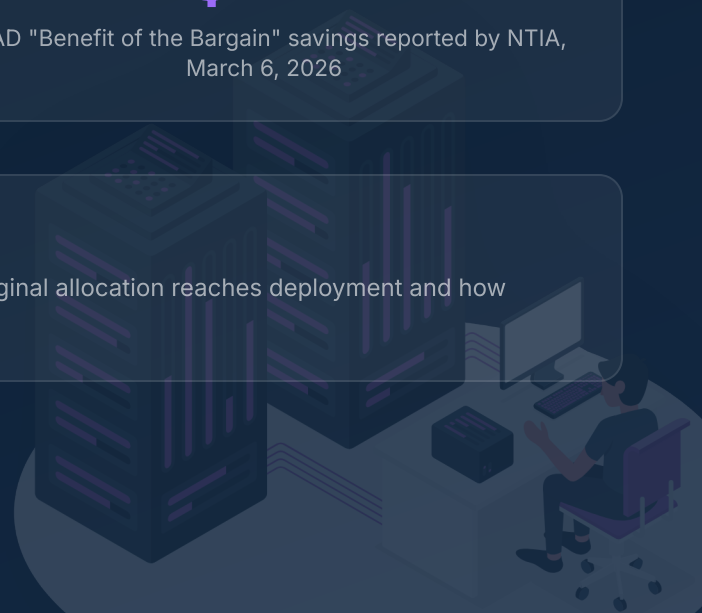
Nebraska announces one of the first BEAD-funded household connections (NTIA)

\$21B

BEAD "Benefit of the Bargain" savings reported by NTIA, March 6, 2026

What to watch

With the restructuring, communities should track how much of the original allocation reaches deployment and how quickly homes are connected.



SECTION THREE

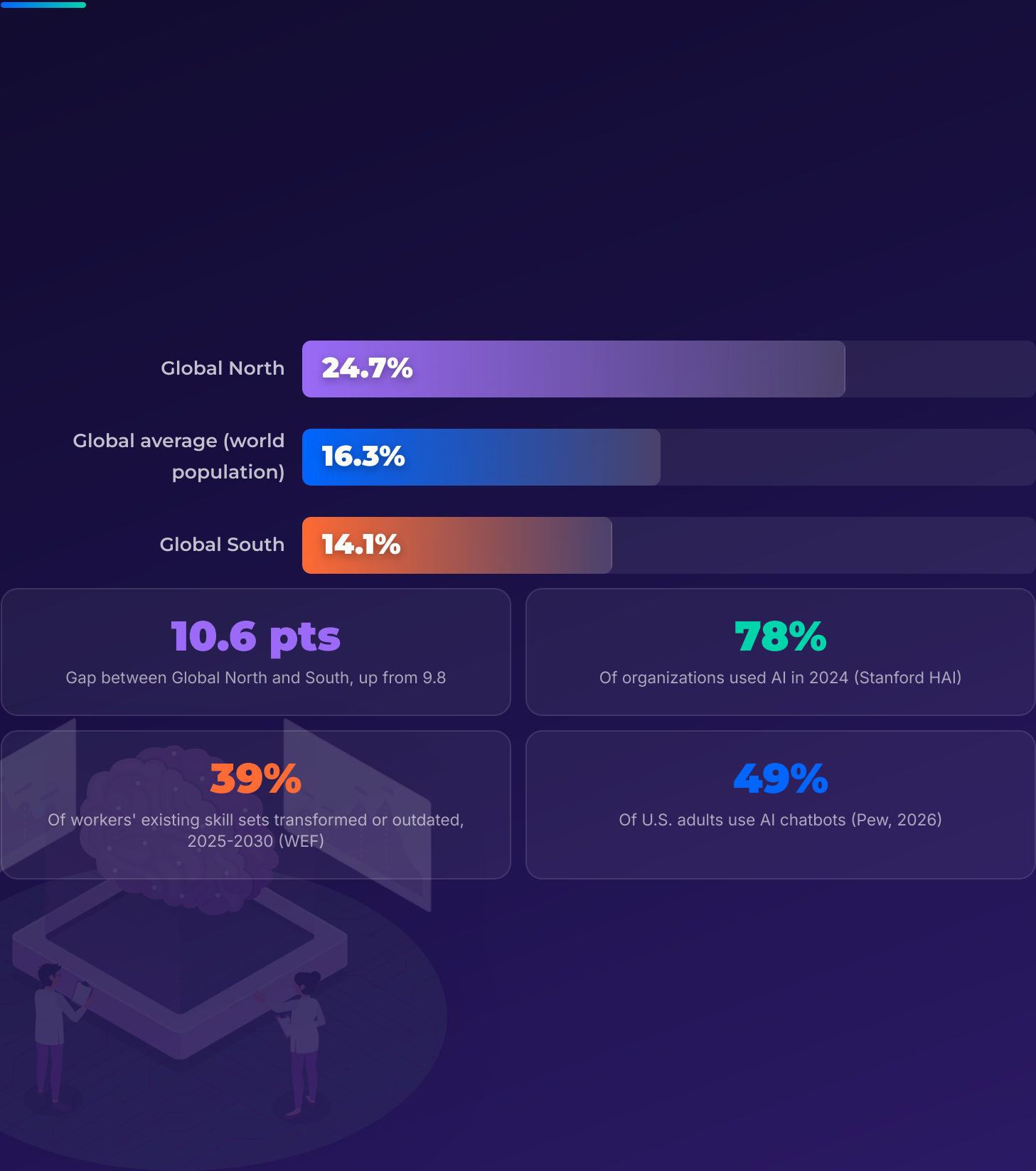
The AI Divide

Artificial intelligence is transforming every sector. Without equitable access and training, AI will deepen the digital divide instead of bridging it.



The AI Divide Is Widening

Generative AI use among the working-age population, second half of 2025



AI Is Accelerating Inequality

Workforce change, algorithmic bias, and the training gap

92M

Jobs displaced by 2030 (WEF)

170M

Jobs created by 2030 (WEF)

59 of 100

Workers would need training by 2030 (WEF)

85%

Of employers plan to prioritize upskilling (WEF)

⚠ Bias Alert

MIT Media Lab's Gender Shades study found commercial facial analysis systems failed on darker-skinned women more than one time in three in the worst case, versus 0% error on lighter-skinned men in the best case.

AI in hiring is now in court

In May 2025 a federal court in California preliminarily certified a nationwide age discrimination collective action over Workday's AI-based hiring recommendation tool (Mobley v. Workday).

Without broadband there is no AI economy

Disconnected communities cannot build the skills employers now expect, which deepens existing gaps across race, income, and geography.

SECTION FOUR

Policy Under Siege

The Digital Equity Act's grant programs were terminated in May 2025. The FCC has launched a sweeping deregulatory review. Advocates and states have gone to court.



\$2.75 Billion. Terminated.

Digital Equity Act grant programs, terminated May 2025

\$2.75B

Total Digital Equity Act grant funding

\$1.44B

State Capacity Grant Program

\$1.25B

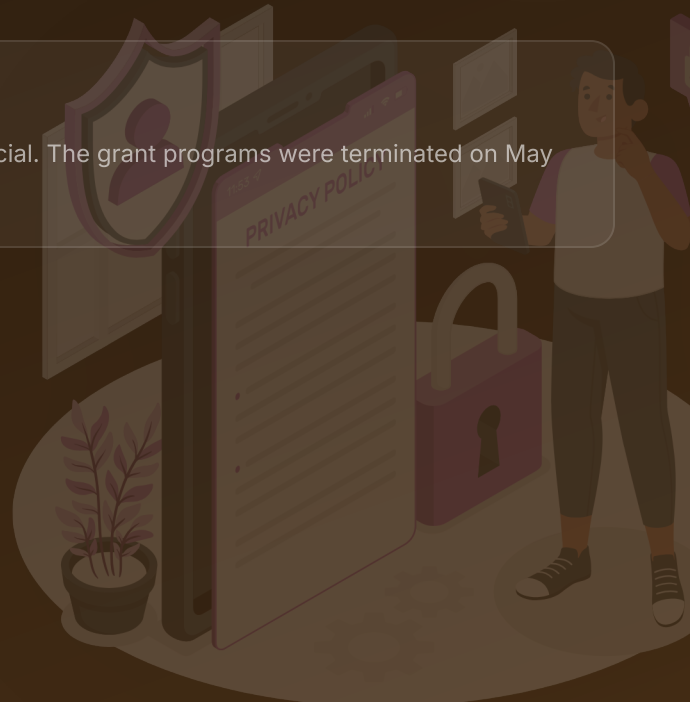
Competitive Grant Program (\$250M
per year, FY2022-FY2026)

\$60M

Planning Grant Program
(completed; state plans approved
by NTIA)

Announced on social media

On May 8, 2025, the President announced the termination on Truth Social. The grant programs were terminated on May 9, 2025.



How \$2.75 Billion Ended Up in Court

Digital Equity Act termination and legal challenges

May 8, 2025

Termination announced on Truth Social (Benton Institute)

May 9, 2025

Digital Equity Act grant programs terminated (Benton Institute)

June 2025

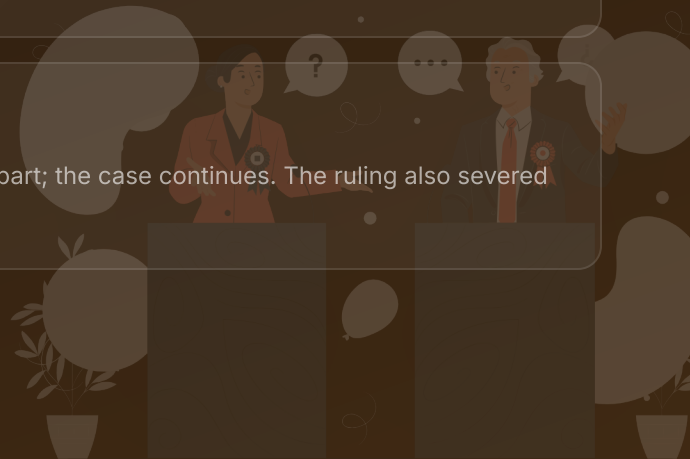
22 states file a new suit challenging the administration (Benton Institute, June 27, 2025)

Oct. 8, 2025

National Digital Inclusion Alliance sues to reinstate the Competitive Grant Program

July 2026

Federal court denies the government's motion to dismiss NDIA's suit in part; the case continues. The ruling also severed racial and ethnic minorities as a covered population.



SECTION FIVE

FCC Under Fire

The FCC opened its "Delete, Delete, Delete" deregulation docket in March 2025 and has proposed reforms to Lifeline, the last federal phone and broadband subsidy for low-income households.



"Delete, Delete, Delete" Programs in Transition

FCC docket GN 25-133 opened March 12, 2025, seeking comment on every rule to eliminate

ACP: ENDED June 1, 2024

\$14.2B

BEAD (NTIA):
RESTRUCTURED

\$42.45B

Lifeline: REFORMS
PROPOSED

~\$1B/yr

Cybersecurity Pilot: ACTIVE

\$200M

Lifeline reform proposal (FCC 26-8)

Adopted February 18, 2026. The FCC proposes treating Lifeline as a "federal public benefit" available only to U.S. citizens and persons with qualified status, with enhanced eligibility checks. Lifeline support is \$9.25 per month and the program accounts for nearly \$1 billion in spending every year.

Schools and Libraries Cybersecurity Pilot

A three-year Universal Service Fund pilot providing up to \$200 million. Participants were selected January 16, 2025, and the funding application window ran March 18 to September 15, 2025.

SECTION SIX

Who Gets Left Behind

The digital divide is not random. It follows the fault lines of income, race, and geography, concentrating harm on communities already facing systemic disadvantage.



The Income Connectivity Gap

U.S. adults with home broadband, by household income (Pew Research Center, 2025)

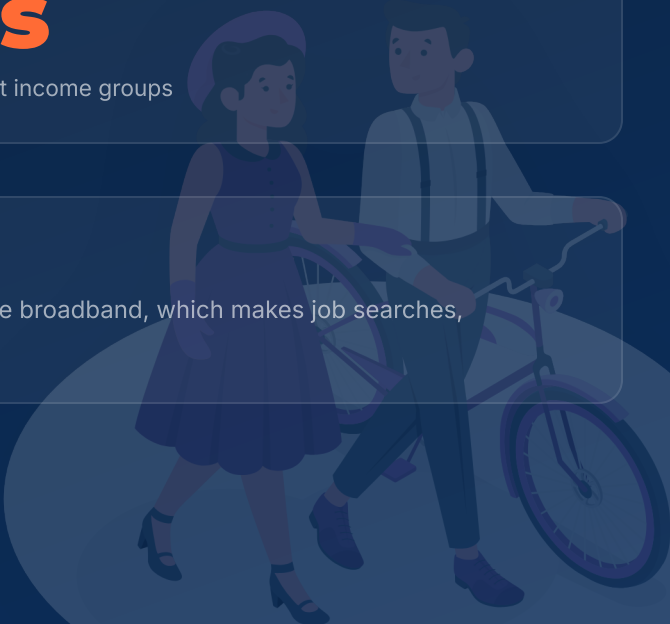


40 pts

Gap between the highest and lowest income groups

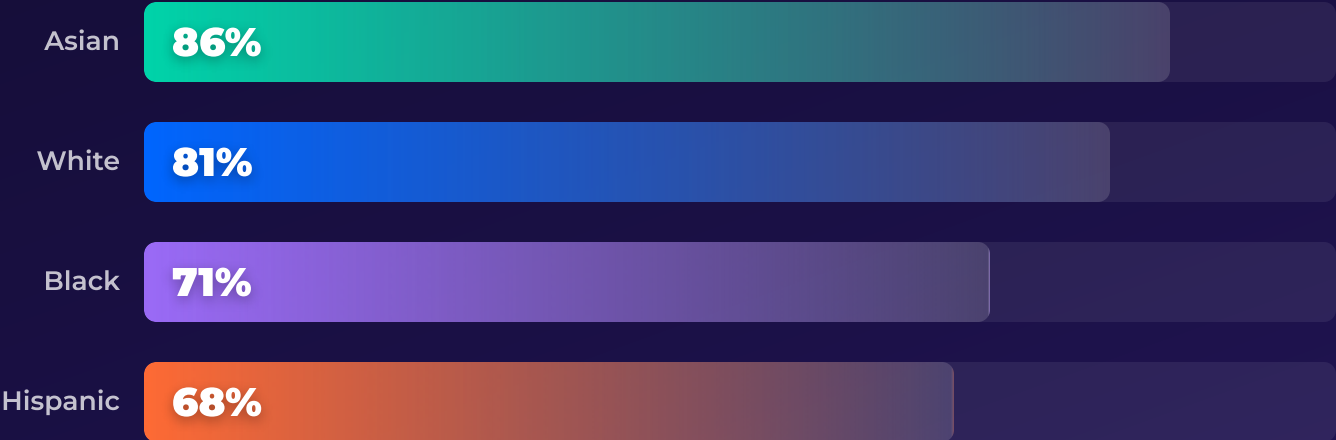
Income shapes access

46% of adults in households earning under \$30,000 do not have home broadband, which makes job searches, telehealth, and schoolwork harder.



Racial Disparities in Broadband

U.S. adults with home broadband, by race and ethnicity (Pew Research Center, 2025)



13 pts
Gap between White and Hispanic adults

10 pts
Gap between White and Black adults

Broadband gaps mirror other disparities

Communities of color are less likely to have home broadband, which limits access to work, school, and health care online.

Smartphone-Only Internet Access

Share of U.S. adults who are smartphone dependent, with no home broadband
(Pew Research Center, 2025)

34%

Adults with income under \$30K

28%

Hispanic adults

20%

Rural adults

16%

All U.S. adults

1 in 3 lower-income adults

About a third of adults earning under \$30,000 go online only through a smartphone. Job applications, homework, and telehealth are harder on a phone alone.

Mobile is not a substitute

Smartphone-only users face data limits and small screens, and many tasks are built for a computer and a home connection.

Race, Geography & the Black Rural South

152 rural counties with populations at least 35 percent Black

Black residents lacking home internet

38%

White residents lacking home internet

23%

All Americans lacking home internet

18%

25.8%

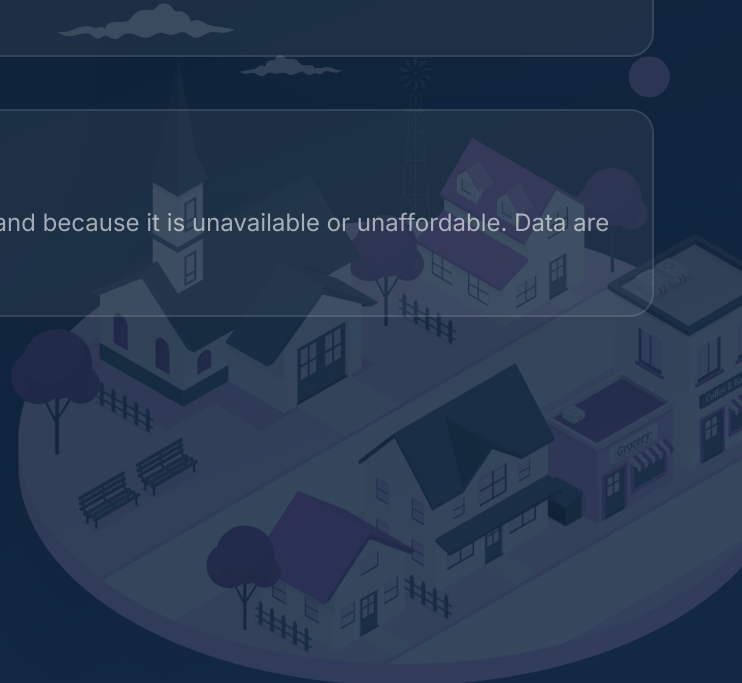
Of Black Rural South residents lack the option to subscribe to 25/3 Mbps broadband

3.8%

Of all Americans lack that option

Availability and affordability

In the Black Rural South many households lack high-speed broadband because it is unavailable or unaffordable. Data are from the Joint Center's October 2021 report.



SECTION SEVEN

Health & Education at Risk

When broadband fails, health care and education fail with it. Telehealth, remote learning, and digital skills all depend on a reliable connection.



The Telehealth Divide

What Lifeline and former ACP participants report (National Lifeline Association, Jan. 2025)

36%

Discontinued telehealth without the ACP

70%

Rely on ACP/Lifeline benefits to access healthcare services

50%+

Of respondents are older Americans

~1 in 3

Are homeless or live in temporary housing

Health equity at risk

For low-income patients, the connection is the doorway to virtual care. When the subsidy ends, many lose that doorway. Survey respondents self-selected; results describe respondents, not all former ACP households.

The Homework Gap

K-12 students without a home connection or adequate device

15-16M

K-12 public school students lacked internet or an adequate device for distance learning (June 2020)

30%

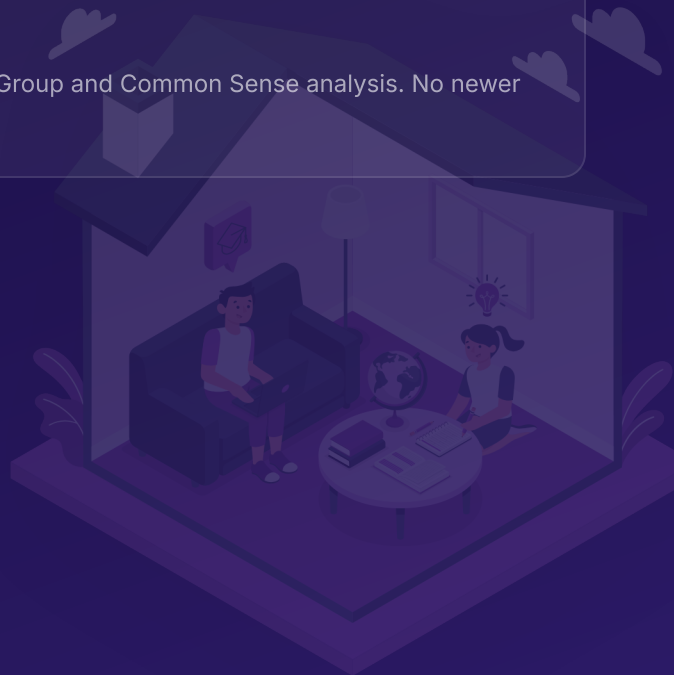
Of all K-12 public school students (June 2020)

~20%

Of Lifeline/former ACP survey respondents report children struggling to complete homework (NaLA, Jan. 2025)

Pandemic-era figures, lasting lessons

The 15 to 16 million figure comes from the June 2020 Boston Consulting Group and Common Sense analysis. No newer national count was used in this briefing.



SECTION EIGHT

America vs. The World

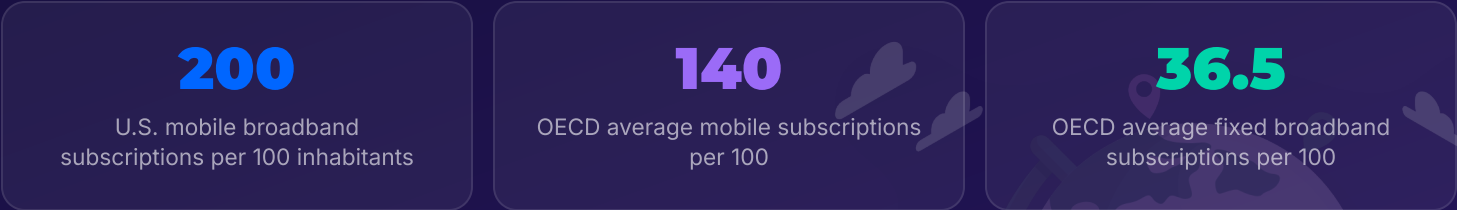
How OECD countries compare in fibre deployment and mobile broadband.



Broadband Across the OECD

End-2024 data, OECD statistical release, October 30, 2025

FIBRE SHARE OF FIXED BROADBAND SUBSCRIPTIONS



Strong in mobile

Japan (210) and the United States (200) had the highest mobile broadband penetration in the OECD. Mobile access is not a substitute for a fixed home connection.

Technology as a Social Determinant of Health

AGI Affinity's TSDOH framework treats technology access as foundational to health, education, economic mobility, and civic life

1. Restore Affordability

Fund a permanent successor to the ACP so more than 23 million formerly enrolled households are not left to choose between internet and food.

2. Finish BEAD

Track every dollar of the restructured program until homes are connected, and publish connections alongside dollars spent.

3. Bridge the AI Divide

Pair connectivity with AI training and bias audits so disconnected communities are not locked out of the new economy.

The TSDOH Assessment

Six domains, 132 variables, and a 36-question assessment measure how technology shapes a community's health, education, and economic opportunity. Take the free assessment at agiaffinity.com.



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