

Embargoed until 01.00hrs 13 October 2009

## **New report shows the economic benefit of getting everyone online in the UK is £22billion**

- Digitally excluded households are missing out on average savings of £560 per year from shopping and paying bills online
- The most economically disadvantaged families are missing out on savings of over £1billion
- 1.6 million children in digitally excluded families could increase their lifetime earnings by £10.8billion
- Unemployed people who get online could increase their lifetime earnings by over £12,000
- If 5% of digitally excluded unemployed could find work by using job websites it would deliver an estimated £560million to the UK economy.
- Internet savvy workers can earn an average increase in lifetime earnings of over £8,000
- Government could save at least £900 million a year in customer contact costs if all digitally excluded adults got online and made just one electronic contact per month

More than 10 million adults across the UK have never used the internet, and worryingly 4 million of this group are also socially excluded. All of them are missing out on the opportunities and cost efficiencies that the web has to offer.

Of the 4 million adults offline who are socially excluded:

- 39% are over 65 years old
- 38% are unemployed
- 19% are in families with children

Urging people to pledge their support Lane Fox said, 'We need to champion the 4 million people who are currently socially and digitally excluded so that they can enjoy the benefits of being online in the next 3 years. We want to show there is both a moral and economic imperative for the wider community to take the issue of digital inclusion much more seriously'.



'It's often the people facing the toughest times who have the most to gain from what technology has to offer and as the internet is rapidly becoming a tool for everyday life, we should work together to make sure everyone can benefit.'

'There are many fantastic projects already working hard towards a more digitally enabled society. With a focus on peer-to-peer training, creative partnerships with private companies and replication of the best public sector projects we believe we can achieve a more digitally included society by 2012', concludes Lane Fox.

To find out more about the Race Online 2012 action plan and how you can help visit [www.raceonline2012.org](http://www.raceonline2012.org), or to find a centre to help get started online call 0800 77 1234.

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For all media enquiries, please contact;  
Digital Inclusion Media Office;  
Tara Maynard; mob: 07921 337 162  
[taramaynard@digitalinclusion.org.uk](mailto:taramaynard@digitalinclusion.org.uk)

### **Notes to Editors**

- The overall potential economic benefit of getting everyone online is in excess of £22bn, and is made up as follows:

	Annual saving (£ billion)	Lifetime saving (£ billion)
Online shopping	4.50	8.85
Home access for children		10.80
Improved ICT skills for the employed		0.56
Improved access to employment for the unemployed		0.56
Government efficiencies	0.90	1.77
		22.54

- Research was conducted by PricewaterhouseCoopers LLP (PwC) between 16<sup>th</sup> September and 9<sup>th</sup> October 2009.
- The PwC research estimates the potential benefits to individuals, government and the wider economy of getting more people online.
- The research focuses on four key areas of potential benefit: education and employment; health and wellbeing; transforming contact and transactions with government and online shopping.
- Previous research on digital inclusion has tended to focus on social and consumer benefits. This is the first time that research has brought together the economic case for getting more people online.
- The research defines a person as offline if they have never used the internet: in addition to the 10 million adults who have never used the internet, there are nearly two million adults who have not used the internet in the last three months.

- Whether a person is socially excluded is based on several factors including income, employment status, health and education.
- Evidence that access to a computer and the internet can boost children's educational performance and lifetime earnings has been used to underpin the Government's case for the Home Access Programme: it has been used as the basis for estimating the benefit of extending similar access across all digitally excluded children.
- The consumer saving of £560 a year is an average across all digitally excluded households: for the 20% of households on the lowest incomes, the average saving is £300 a year.
- The consumer saving is equivalent to around £3 in every £100.
- The biggest consumer savings are estimated to come from purchases of energy, insurance, clothing and package holidays.
- The estimates of consumer savings are based on work undertaken for the Post Office.
- Evidence from research by the Centre for the Economics of Education suggests that ICT skills can help individuals to earn 3-10% more than their peers without such skills.
- Each person who can improve their ICT skills by moving online can expect to increase their lifetime earnings by over £8,000.
- If 5% of digitally excluded unemployed could find work by using job websites it would deliver an estimated £560million to the UK economy.
- Providing online access has the potential to reduce some of the barriers to unemployed people finding work: the estimated benefits are based on 5% of the digitally and socially excluded unemployed being able to find work more quickly.
- It is estimated that the benefit to the UK economy would be between £560 million and £1.3billion from moving adults online and into employment depending how effective any support is.
- Government can potentially save between £3.30 and £12.00 for each offline contact which is moved online.
- If all 10 million digitally excluded adults could undertake one more contact or transaction online each month (rather than relying on offline channels), this would save at least £900 million a year in customer contact costs
- It was outside the remit of this research project to suggest solutions for how to help more people get online or to estimate the costs of any potential solutions.

### **About Digital Inclusion Limited**

- Martha Lane Fox was appointed as Champion for Digital Inclusion in June 2009.
- In this role Martha is supported by the Digital Inclusion Task Force which she chairs.
- Digital Inclusion Limited is a government funded by the Department of Communities and Local Government (through the Community Development Foundation) but is an independent organisation (that has applied for charitable status).
- Digital Inclusion Limited aims to build partnerships across the public, private and third sectors to support the 10 million people in the UK who have never used the internet.
- Digital Inclusion will particularly focus on the new tools that can help the most disadvantaged 4 million people of this group.



- Martha Lane Fox co-founded lastminute.com, Europe's largest travel and leisure website, in 1998. She then went on to co-found and chair the private karaoke chain Lucky Voice. In 2007, she launched Antigone, a grant-giving foundation that supports education, health and criminal justice charities to reflect her commitment to social justice. She is non-executive director at Marks & Spencer plc, Channel 4 Television and Mydeco.