

# Energy Cost Impacts on American Families

National Energy and Utility  
Affordability Coalition  
Baltimore, MD  
June 24, 2015

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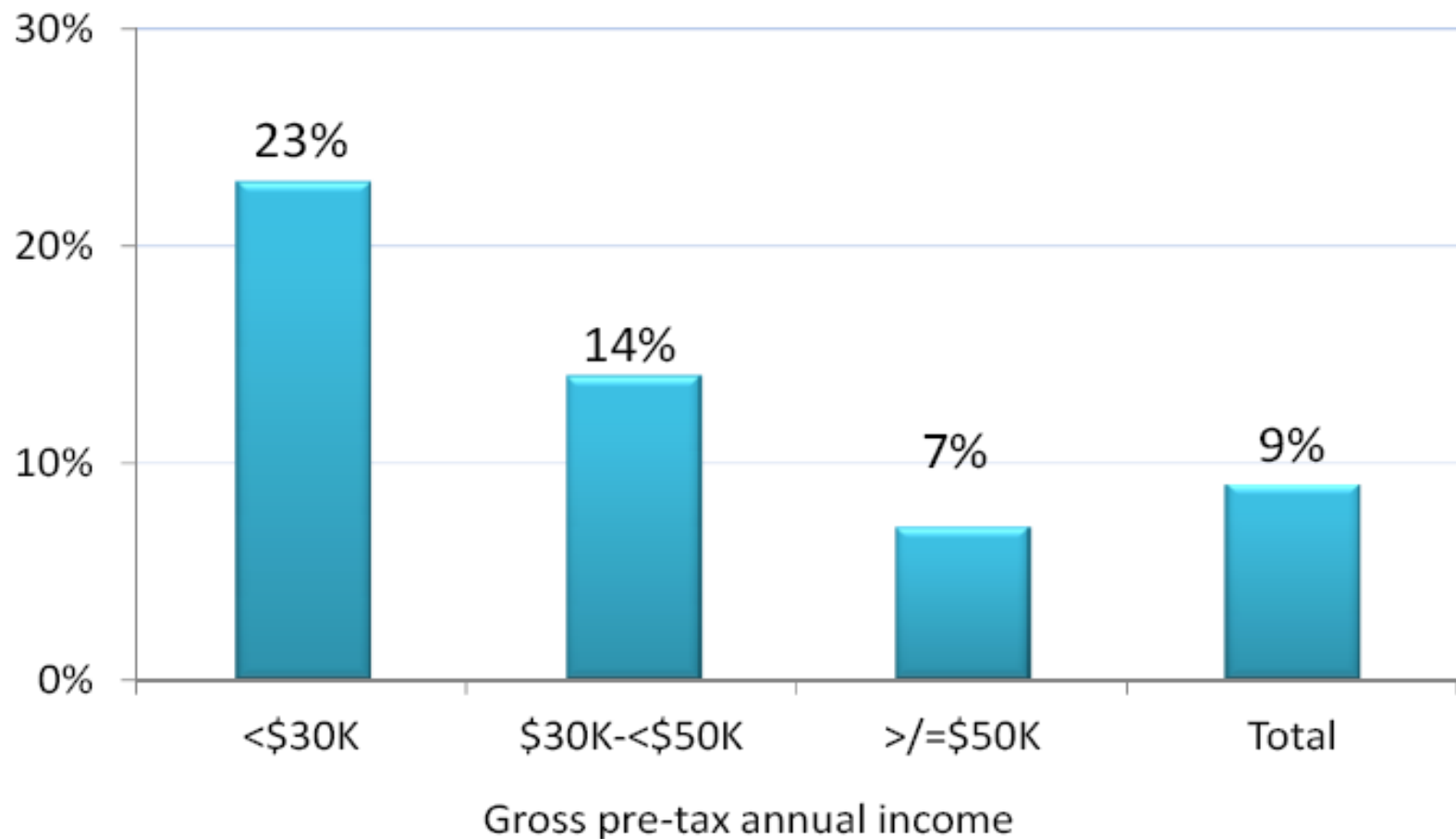
# Background

- National and state-level studies conducted for American Coalition for Clean Coal Electricity since 2000 (available at [www.americaspower.org](http://www.americaspower.org)).
- Studies measure percent of after tax-income spent for household utilities and gasoline.
- Current national study provides estimates for 2016.
- Principal data sources are Bureau of Census, CBO (tax rates), DOE/EIA, and DOT/NHTS.

# Highlights

- 48% of American households have pre-tax incomes <\$50K, average take-home income of less than \$1,900/mo.
- These households will spend an average of 17% of their after-tax income for residential and transportation energy in 2016.
- The 29% of households with gross pre-tax incomes <\$30K will spend an average of 23% of their after-tax income on energy.

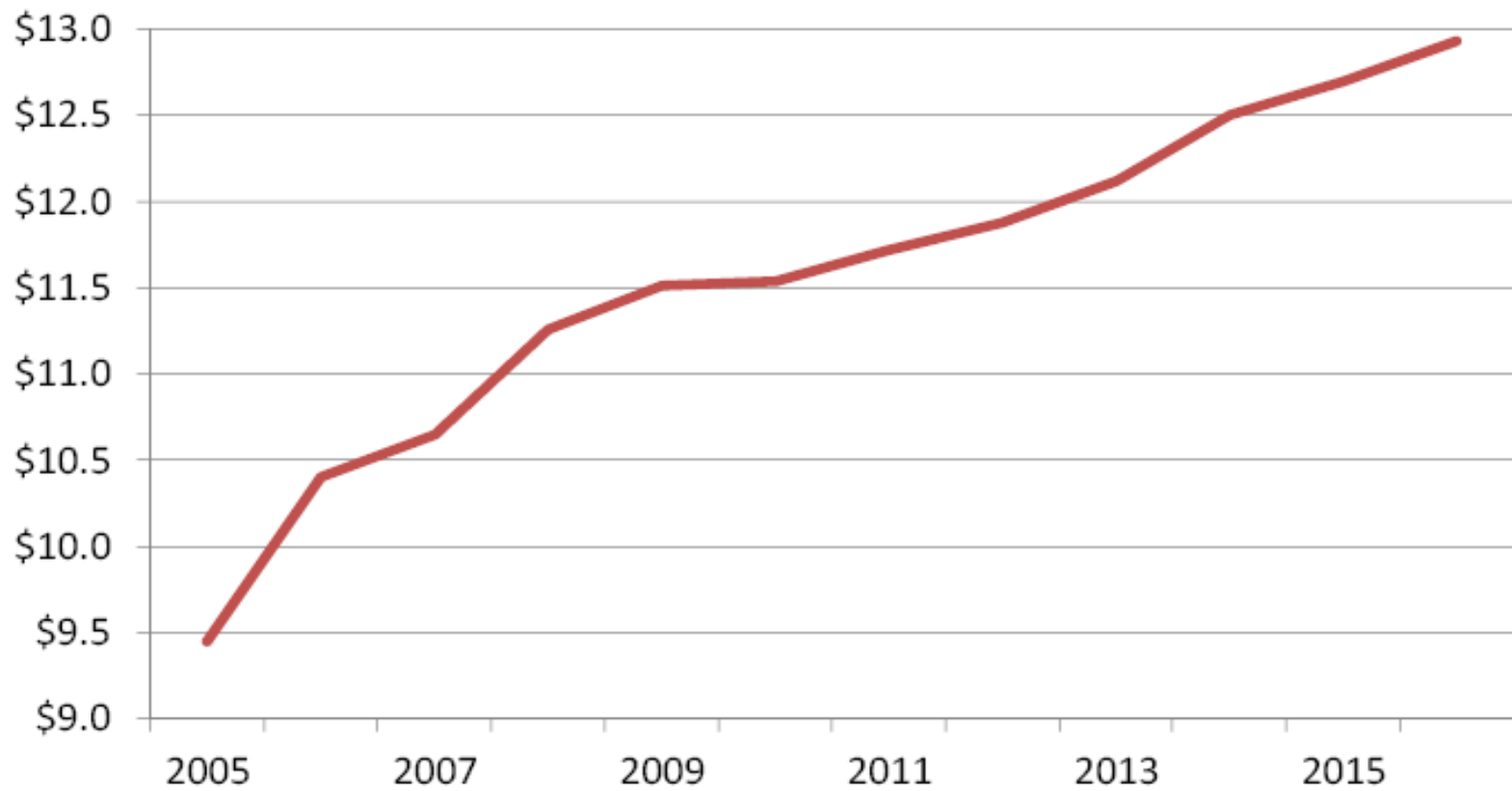
## Estimated U.S. household energy costs as percentage of after-tax income



# Electricity

- Electricity represents 69% of average household utility bills.
- Electricity prices have increased by 32% on average since 2005, in current prices.
- Additional price increases are in store due to compliance with EPA MATS (2015+) and Clean Power Plan (2020+) rules.

## U.S. average residential electric prices, 2005-2016 (Cents per kWh)



Source: U.S. DOE/EIA.

# Real incomes have declined across all five income quintiles since 2001

Average real U.S. household incomes by income quintile, 2001-2013  
(In 2013 \$)

	1Q	2Q	3Q	4Q	5Q
2001	\$13,336	\$33,510	\$56,090	\$87,944	\$192,063
2013	\$11,651	\$30,509	\$52,322	\$83,519	\$185,206
Pct Chg	-13%	-9%	-7%	-5%	-4%
\$ Chg	(\$1,685)	(\$3,001)	(\$3,768)	(\$4,425)	(\$6,857)

# Seniors and minorities are most vulnerable to energy price increases due to low incomes

U.S. median pre-tax household incomes, 2013

	Median Household Income	Pct. Diff. Vs. U.S. Median	Pct. of Households
U.S.	\$51,939		100%
Black	\$34,598	-33%	13%
Hispanic	\$40,963	-21%	13%
Age 65+	\$35,611	-31%	23%

Source: U.S. Bureau of the Census, Current Population Reports Supplement (2014).



# 2011 NEADA Survey Findings

- Low income households experience adverse health and welfare impacts due to high energy bills:
  - 24% went without food for at least one day.
  - 37% went without medical or dental care.
  - 34% did not fill a prescription or took less than the full dose.
  - 19% had someone become sick because their home was too cold.

# Inadequate federal support for low-income customers

- Congress cut LIHEAP funding to \$3 Billion in FY 2015.
- LIHEAP benefits concentrated in winter home heating, esp. in Northeast.
- Total residential electric and other fuels are estimated to cost \$62 Billion in 2016 for the 36 million households with pre-tax incomes less than \$30K/year.

# Policy indications

- Need for government policies that encourage stable and affordable energy prices.
- Increased public and private sector assistance for low-income families.

# Acknowledgments

- Thanks to NEUAC for the invitation today.
- Thanks to ACCCE for supporting this presentation.