FACT SHEET

Groundswell

ENERGY IMPOVERISHMENT AND ENERGY BURDENS IN THE UNITED STATES

Summary

The report provides a full literature review, revealing how energy burdens have grown over the last decade due to systemic inequities in housing stock, employment and energy rates, in addition to dramatic energy burden increases during the COVID-19 pandemic related to economic and health displacements.

Too few low-income households benefit from energy-efficiency programs that are designed to reduce economic hardship and poverty.

Despite energy abundance in the US and the availability of energy efficiency programs and weatherization policies, low-income households continue to pay high energy bills while their environmental, social, and economic conditions have eroded. This paper assesses opportunities that offer the greatest hope to reduce energy burdens in the US, revealing regional imbalances in energy burdens — which are greatest in the Southeast and Northeast. *This report also reveals room for additional research into the wide disparity between energy costs for rural and urban populations, with rural households often paying significantly more for energy.*

The full 39 page report can be downloaded at **https://labs.groundswell.org/publications/#energy-impoverished.**

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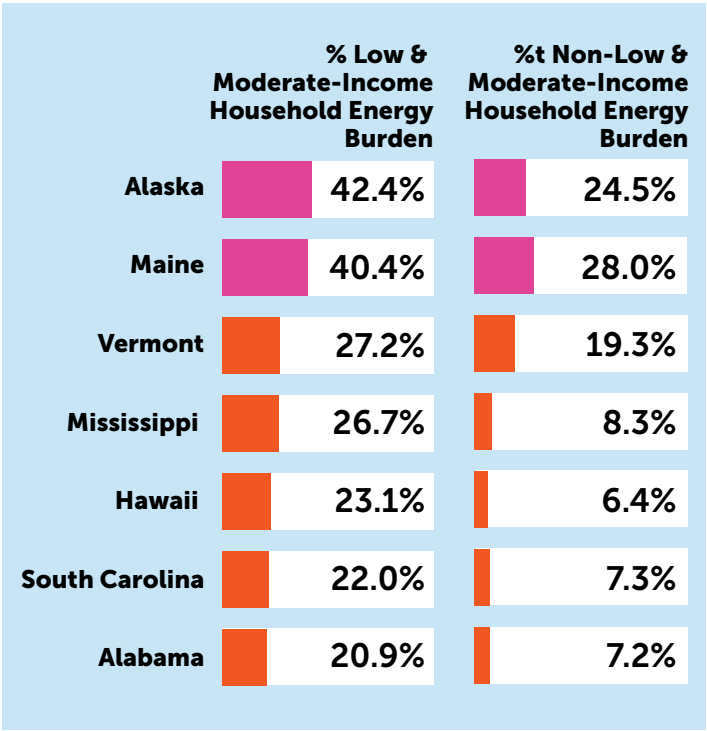
From *Energy Impoverishment and Energy Burdens in the United States*

7 Worst States for Low and Moderate-Income Household Energy Burdens

The report shows that seven states stood out as the most energy impoverished states with low and moderate-income households facing mean energy bills of **more than 20 percent of household income**. Alaska leads the list with the highest energy burdens, defined as the percent of income needed to cover energy costs, regardless of income level, but startlingly, low to moderate-income households pay almost 18 percent more than higher income households. Maine follows closely behind with low and moderate-income households spending 40.4 percent of their income on energy, then Vermont with 27.2 percent.

However, this trend of high energy costs compared to income was not limited to cooler northern states. Mississippi placed fourth on the list at 26.7 percent, followed by Hawaii at 23.1 percent, South Carolina at 22 percent, then Alabama at 20.9 percent. Additionally, this research shows that rural households have higher energy burdens than urban households and communities of color were the most heavily impacted by high energy burdens.



This report provides a full literature review, revealing how energy burdens have grown over the last decade due to systemic inequities in housing stock, employment and energy rates, in addition to dramatic energy burden increases during the COVID-19 pandemic related to economic and health displacements.

This research was conducted in support of the **LIFT Solar Everywhere** project, which seeks to develop optimal solar program designs and pricing for working families across the country. LIFT partners have previously published research on topics such as how energy providers lose opportunities to improve LMI home efficiency by failing to engage LMI consumers; how Pay As You Save® financing can be used to improve solar access; and analyses of community solar trends.

About the Author

Groundswell's data science and research efforts are led by Dr. Elvis Moleka, who joined Groundswell in 2020. He conducts research and analysis on the vertices between sustainable finance, development economics, energy economy, risk management, financial markets, monetary policy, and macroeconomic dynamics. Before joining Groundswell, he worked as a Senior Financial Consultant and supported Model Risk Management groups on model validation for major Wall Street Banks. He held Lectureship positions at the University of Warwick, University of Bath, London Metropolitan University, and the University of Buea. Dr. Moleka earned his Doctor of Philosophy in Economics from the University of Bath. He earned a Master of Science in Business Economics and Finance from London Metropolitan University and a Bachelor of Science in Economics from the University of Buea. He is also the Co-Founder and CEO of Leka Research Institute LLC and Chairs the Economic and Development Committee at BACDU USA Inc. For further information, please email: research@groundswell.org.

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About Groundswell

Groundswell is a 501(c)3 nonprofit that builds community power through equitable community solar projects and resilience centers, clean energy programs that reduce energy burdens, and pioneering research initiatives that help light the way to clean energy futures for all. Groundswell leads clean energy programs and projects in six states including the District of Columbia, including serving more than 4,000 income-qualified customers with more than $1.85 million per year in clean energy savings. Learn more at Groundswell.org or @grndswell.