



The report, “Energy Cost Impacts on American Families, 2001–2012,” analyzes energy cost increases since 2001 for U.S. households. The report relies on data from the U.S. Energy Information Administration and the U.S. Bureau of the Census. Some of the report’s key findings include the following:

- Approximately one-half of U.S. households have average pre-tax annual incomes less than \$50,000. In 2001, these families spent an average of 12 percent of their after-tax income on energy. In 2012, these families are projected to spend 21 percent of their after-tax income on energy.
- For lower-income and middle-income families, energy costs have risen to such a level that they are competing with other basic necessities such as food, housing, and health care. Lower-income families are more vulnerable to energy cost increases than higher-income families because energy represents a larger portion of their household budgets.
- Energy bills for families earning less than \$10,000 increased from 36 percent of estimated after-tax income in 2001 to 78 percent projected for 2012. Families earning between \$10,000 and \$30,000 devote almost one-fourth of their budgets to energy. Together these two income groups comprise over 30 percent of all U.S. households.
- Due to income inequalities, energy price increases are felt disproportionately

by Black and Hispanic households. Also, lower-income senior households that depend mainly on fixed incomes are among those most vulnerable to energy price increases.

- Higher gasoline prices account for nearly four-fifths of the increased cost of energy for consumers since 2001. In nominal dollars, average U.S. household expenditures for gasoline will grow by 136 percent from 2001 to 2012.
- By contrast, electricity rates have increased by only 51 percent in nominal dollars since 1990, less than the 72 percent rate of inflation measured by the Consumer Price Index. Virtually all of the electricity rate increases over the past two decades have occurred since 2000. These increases are due in part to additional capital, operating and maintenance costs associated with clean air and other environmental requirements.
- EPA rules are expected to cause additional electricity rate increases in many areas of the country. For example, EPA estimates the annual cost of compliance with the utility Mercury and Air Toxics Standards rule at \$9.6 billion (\$2007) in 2016. The projected annual cost of the MATS rule is greater than EPA's \$6.6 billion (\$2006) estimate of the costs of all electric sector clean air requirements in 2010.

A copy of the full report is available at www.americaspower.org

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