

# Reducing Energy Burdens

The percentage of income spent on home-related energy bills is considered your energy burden. Under-resourced, black, Latinx, renters, and rural households have greater energy burdens than other households. Energy efficiency improvements can significantly cut or eliminate the excess energy burden experienced by these households. Improving household energy affordability can result in health benefits and can help lift families out of poverty.

High energy burdens make it harder to care for oneself or one's family. High energy burdens result in difficult trade-offs between paying for energy bills or other necessities, such as food and medical care. Families with high energy burdens may limit energy use to keep costs low by inadequately heating, cooling, or lighting their homes, resulting in unhealthy living conditions.

High energy burdens can also contribute to the cycle of poverty. Families with high energy burdens run the risk of having their utility service cut off if they cannot afford to pay their bill. The loss of utility service is one of the primary reasons for homelessness, especially for families with children. The lack of working utilities is also a common reason that child welfare agencies remove children from their home. Individuals with unaffordable utility bills may be forced to take out high-interest payday loans to pay their bills, contributing to a cycle of debt that is hard to escape.

Energy-inefficient homes are a significant contributor to high energy burdens. Under-resourced families often live in less efficient housing and pay more per square foot on energy costs than higher income families. Research by the American Council for an Energy-Efficient Economy and EEFA has shown that improving the energy efficiency of the homes of families with high energy burdens would significantly cut or eliminate the excess energy burden. For black and Latinx households, 42% and 68% of the excess energy burden, respectively, would be eliminated by making their homes as efficient as the average home. For renters, nearly all of their excess energy burden could be eliminated by making their homes as efficient as the average.

In addition to energy efficiency, investments in utility bill assistance and income support programs, such as the federal Earned Income Tax Credit program, reduce energy burdens by supplementing household incomes.

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Energy Efficiency for All (EEFA) unites people from diverse sectors and backgrounds, including housing, energy efficiency, environmental, health, and community leaders, to collectively make multifamily homes healthy and affordable through energy and water efficiency.

## Priorities

- 1** Increase awareness about the consequences of high energy burdens.
- 2** Improve and expand low-income utility energy efficiency programs.
- 3** Ensure that under-resourced households are receiving an equitable share of energy efficiency funding.
- 4** Protect and expand federal energy programs such as the Weatherization Assistance Program and the Low-Income Home Energy Assistance Program.