

Energy Hardship Report

June 2023

NEADA

NATIONAL ENERGY ASSISTANCE DIRECTORS ASSOCIATION

Introduction

The tables and charts in this report highlight the difficulties households are facing to pay their energy bills, with many falling behind.

The report is divided into three sections:

- End of Winter Update
- Summer Outlook
- Census Household Pulse Survey

Summary

- Heating expenditures increased this past winter for households using natural gas (8.9%), electricity (10.1%), and heating oil (12.5%)
- Concerns remain about utility debt heading into this summer, with arrearages rising year-over-year through March 2023
- Total estimated utility debt increased from \$15.7 billion in March 2022 to \$19.5 billion in March 2023
- Summer residential electricity expenditures are projected to rise by 2.2% over last year, from \$517 to \$529
- Higher temperatures than expected could increase household cooling costs this summer

Summary

- At least one month in the last year:
 - 34.9% of low- and moderate-income households (<\$50k) were unable to pay their energy bill
 - 49.9% of LMI households reduced or forwent expenses for basic necessities, such as medicine or food, to pay their energy bill
 - 33.7% of LMI households kept their home at a temperature that felt unsafe or unhealthy
- Mississippi had the highest rate of households unable to pay their energy bill (30.2%), while Utah had the lowest (14.6%)

End of Winter Update

Heating Expenditures

Heating expenditures increased this past winter for households using natural gas, electricity, and heating oil

Households using heating oil experienced the greatest cost percentage increase, followed by households using electricity

The all sources weighted average rose by 8.4%

Change in Nominal Winter Heating Expenditures

2022-23 vs. 2021-22 winter heating seasons. "All sources" is a weighted average of winter heating expenditures by households using the four energy sources listed.

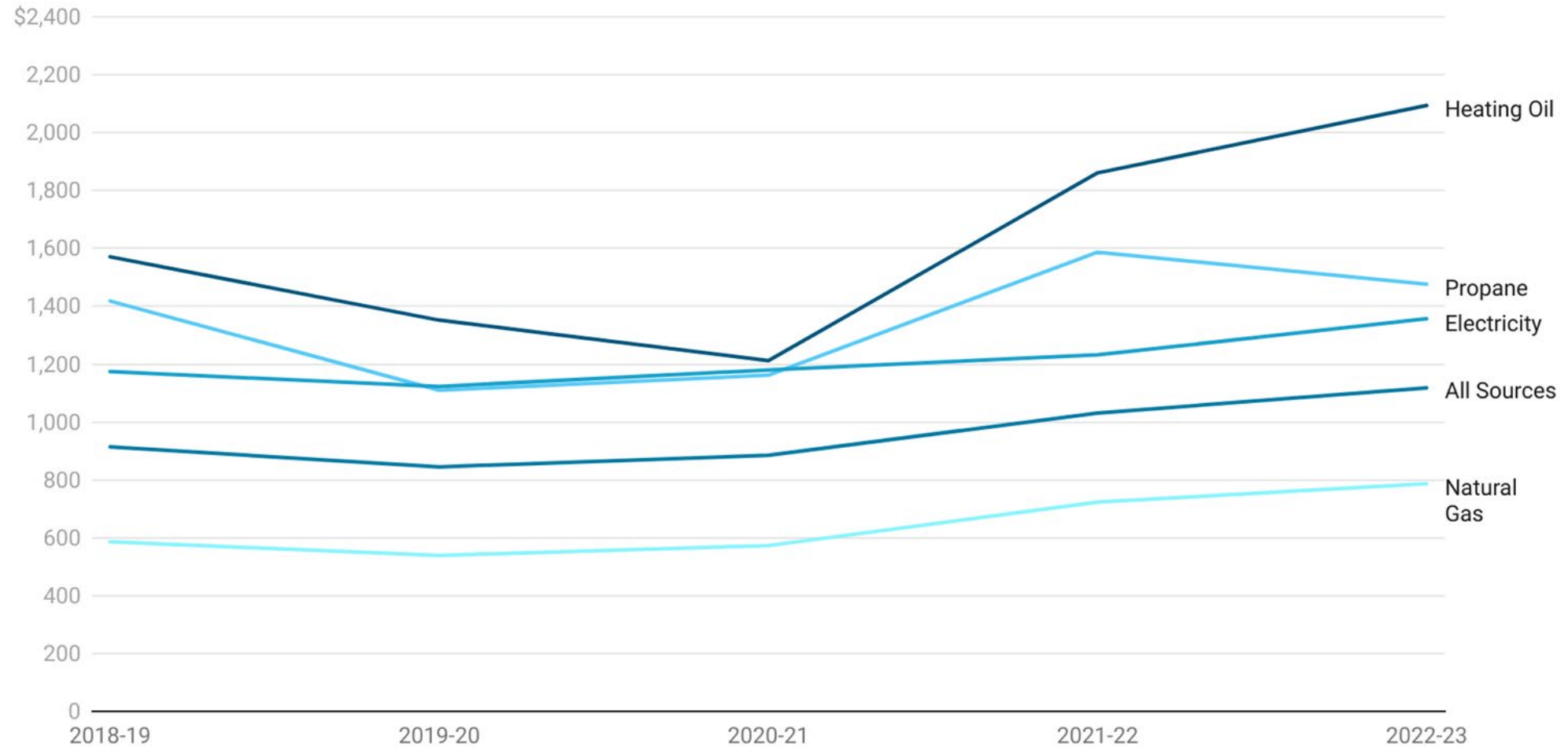
Winter Heating Season	Natural Gas	Electricity	Heating Oil	Propane	All Sources
2021-22	\$723	\$1,232	\$1,861	\$1,587	\$1,031
2022-23	\$787	\$1,357	\$2,094	\$1,476	\$1,118
Percent Increase	8.9%	10.1%	12.5%	-7.0%	8.4%

The winter heating season is defined as October through March

Table: National Energy Assistance Directors Association • Source: Energy Information Administration • Created with Datawrapper

Nominal Winter Heating Expenditures

"All sources" is a weighted average of winter heating expenditures by households using the four energy sources listed



The winter heating season is defined as October through March

Chart: National Energy Assistance Directors Association • Source: Energy Information Administration • Created with Datawrapper

Nominal Winter Heating Expenditures

"All sources" is a weighted average of winter heating expenditures by households using the four energy sources listed

Winter Heating Season	Natural Gas	Electricity	Heating Oil	Propane	All Sources
2018-19	\$586	\$1,174	\$1,571	\$1,418	\$914
2019-20	\$539	\$1,123	\$1,352	\$1,110	\$845
2020-21	\$573	\$1,180	\$1,212	\$1,162	\$885
2021-22	\$723	\$1,232	\$1,861	\$1,587	\$1,031
2022-23	\$787	\$1,357	\$2,094	\$1,476	\$1,118

The winter heating season is defined as October through March

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Arrearages

Concerns remain about utility debt heading into this summer, with arrearages rising year-over-year coming out of the 2022-23 winter heating season

Total estimated utility debt increased from \$15.7 billion in March 2022 to \$19.5 billion in March 2023

Source: Publicly-available utility data

Estimated National Electricity Arrearages

	Percent Households in Arrears	Total Households in Arrears	Average Amount Owed	Total Utility Debt
March, 2023	14.9%	19.6M	\$655	\$12.8B
March, 2022	13.9%	17.9M	\$574	\$10.3B

Table: National Energy Assistance Directors Association • Created with Datawrapper

Estimated National Gas Arrearages

	Percent Households in Arrears	Total Households in Arrears	Average Amount Owed	Total Utility Debt
March 2023	20.0%	16.0M	\$413	\$6.6B
March 2022	16.6%	13.1M	\$413	\$5.4B

Table: National Energy Assistance Directors Association • Created with Datawrapper

Summer Outlook

- The U.S. Energy Information Administration projects summer residential electricity expenditures to rise by only 2.2% over last year, from \$517 to \$529
- However, EIA notes that weather is a volatile part of their forecast; if temperatures are much hotter than projected, electricity bills will likely increase
- The New England region is expected to see the largest increase in electricity costs over last year (8.1%), rising from \$499 to \$539
- The east south central region is expected to see the largest decrease in electricity costs (-4.2%), decreasing from \$586 to \$561

Census Household Pulse Survey

Census Household Pulse Survey

- The Census Household Pulse Survey studies how households are faring along various social and economic dimensions
- The survey includes three questions on energy insecurity:
 - Household was unable to pay an energy bill or unable to pay the full bill amount
 - Household reduced or forwent expenses for basic household necessities, such as medicine or food, in order to pay an energy bill
 - Household kept home at a temperature that felt unsafe or unhealthy
- NEADA tracks the percentage of households that experienced any of these energy insecurity measures at least one month in the last year.

The percentage of households that were unable to pay their energy bill has stayed relatively constant over the past year

The percentage of LMI households that were unable to pay their energy bill is 13.5 pp higher than the national average

Percent of households unable to pay energy bill, at least one month in the last year

Dates listed are the survey periods for the Census Household Pulse Survey

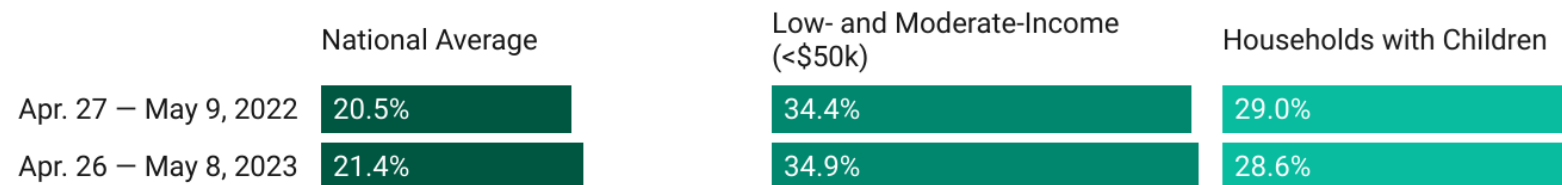
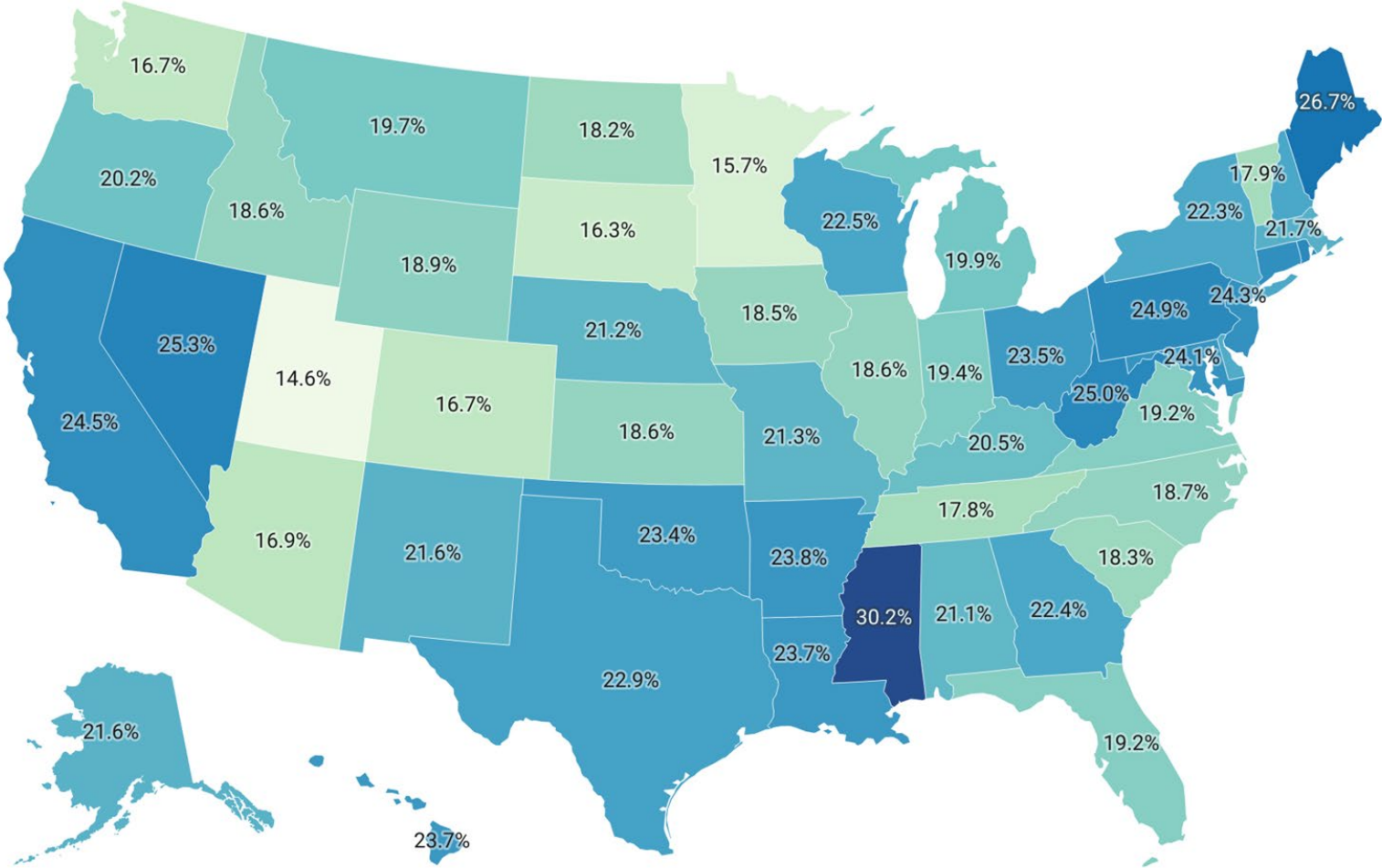


Chart: National Energy Assistance Directors Association • Source: Census Household Pulse Survey • Created with Datawrapper

Percent of households unable to pay energy bill, at least one month in the last year

States with percentages not shown: Connecticut (24.4%), Delaware (22.1%), New Hampshire (22.4%), Rhode Island (24.9%), West Virginia (25.0%)



Survey period: Apr. 26 - May 8, 2023

Map: National Energy Assistance Directors Association • Source: Census Household Pulse Survey • Created with Datawrapper

The percentage of households that forewent basic necessities, such as medicine or food, to pay their energy bills has increased nationally over the past year

The percentage of LMI households that forewent basic necessities is 16.3 pp higher than the national average

Percent of households foregoing basic necessities to pay energy bills

Household reduced or forewent expenses for basic household necessities, such as medicine or food, to pay an energy bill, at least one month in the last year. Dates listed are the survey periods for the Census Household Pulse Survey.

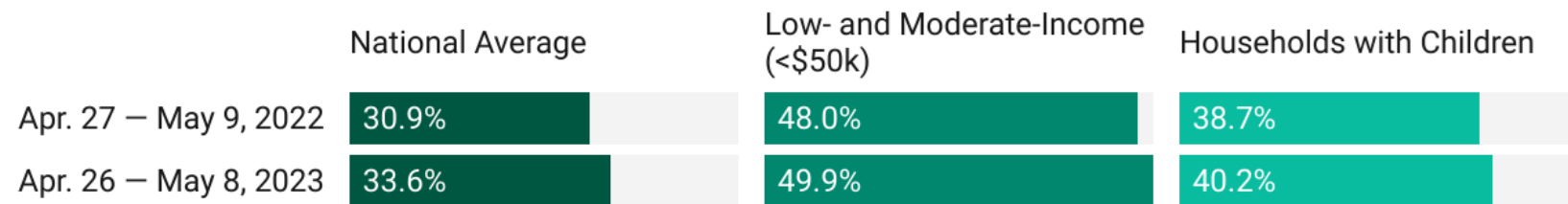


Chart: National Energy Assistance Directors Association • Source: Census Household Pulse Survey • Created with Datawrapper

The percentage of households that kept their home at an unsafe temperature increased for all households over the past year, as well as for LMI households and households with children

LMI households kept their home at an unsafe temperature at a higher rate than the national average (+11.1 pp)

Percent of households that kept home at a temperature that felt unsafe or unhealthy, at least month in the last year

Dates listed are the survey periods for the Census Household Pulse Survey

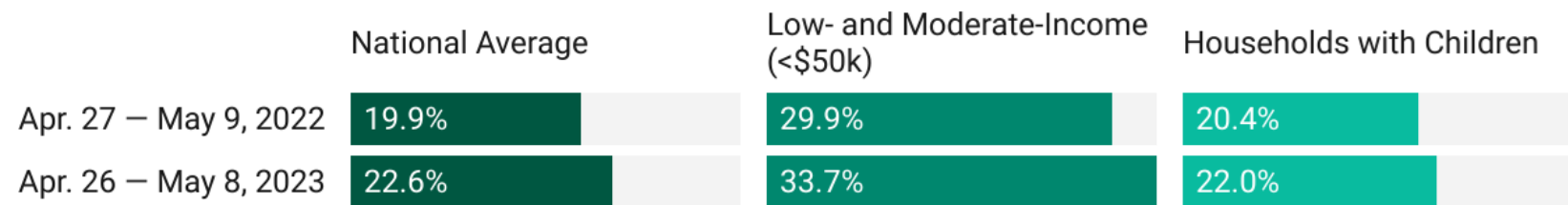


Chart: National Energy Assistance Directors Association • Source: Census Household Pulse Survey • Created with Datawrapper

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