Inequities Facing Low Wealth Communities

Legacy of Poverty and Racism

Land use/housing

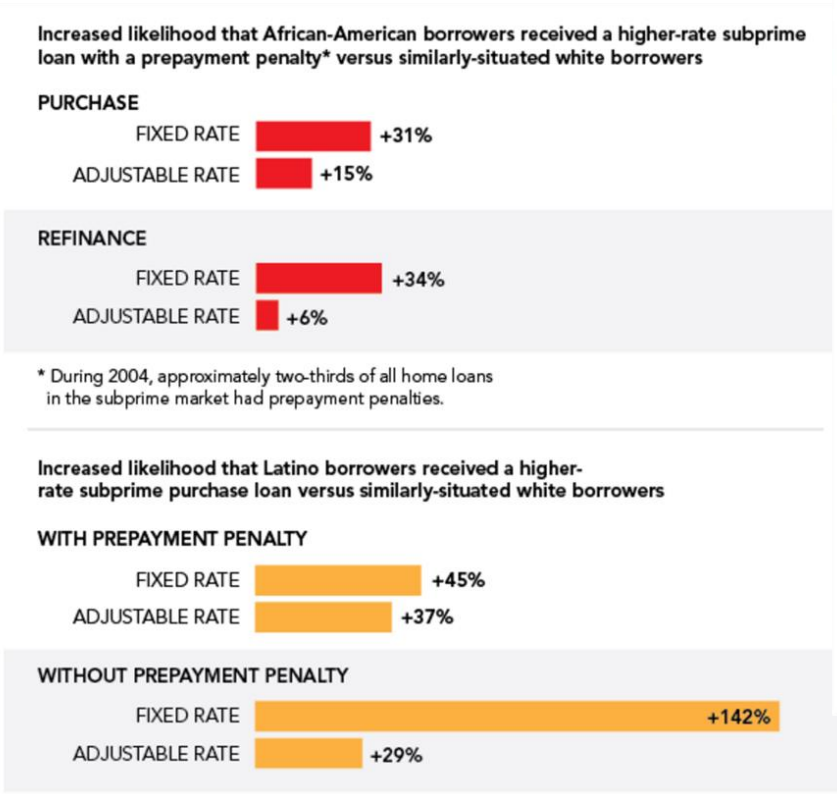
Health

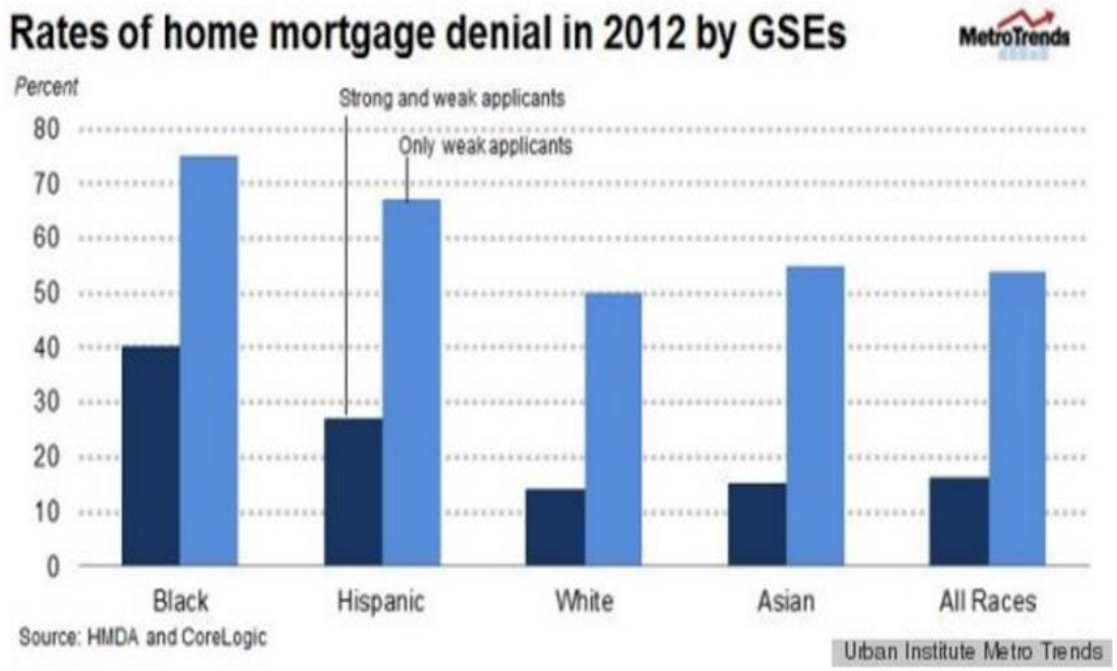
Economic opportunity

Energy burden

Changing faces

Legacy of land use + housing discrimination





…while unemployment for African Americans is 2X the national average

Source: http://www.responsiblelending.org/mortgage-lending/research-analysis/rr011exec-Unfair_Lending-0506.pdf

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Disparate Health Effects

- 68% of African Americans live within 30 miles of a coal-fired power plants
- Prolonged exposure to toxins from these facilities are tied to birth defects, heart disease, asthma attacks, lung disease, learning difficulties

- An African American child is 3X as likely to be admitted to the hospital and 2X more likely to die from an asthma attack than a white American child.
- Though African Americans are less likely to smoke, they are more likely to die of lung disease than white Americans are.

Source: NAACP Just Energy Policies

Impacts to Health When Energy Burden is High

- Living in homes that are not properly heated or cooled increases cases of asthma, respiratory problems, heart disease, arthritis, and rheumatism
- Chronic stress related to daily survival choices (pay electric bill or pay for groceries or medicine, for example) contributes to other health conditions
- Living in underheated homes puts adolescents at double the risk of respiratory problems and five times the risk of mental health problems

Source: : Lifting the High Energy Burden in America's Cities

Disparate Economic Effects of Energy Generation

- While African Americans spent $41 billion on energy in 2009, they only held 1.1% of energy jobs and only gained .01% of the revenue from the energy sector profits
- Property values in near proximity to power plants are 15% lower than surrounding areas
- The median family income of the top 15 coal-producing states was $44,922 in 2006 ($3,529 below the U.S. median)

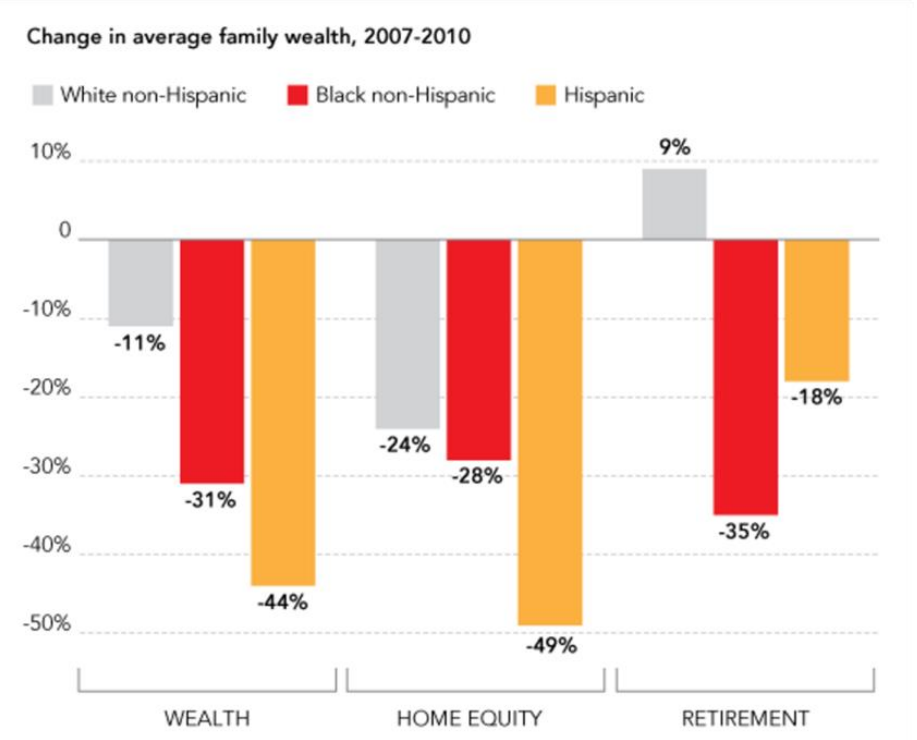
Source: http://www.sourcewatch.org/ndex.php/Existing_U.S._Coal_Plants and_NAACP Just Energy Policies

Burden without Benefit

- Low-income households account for about one-third of the population in the United States. These households have housing, equipment, and appliances that are older and less efficient than those in the average US household. Renters also lack control over heating and cooling systems and appliances they generally pay to operate.
- Utility's costs for EE programs and services, covering arrearages, bill payment accommodations, and shutoffs are distributed to all ratepayers, including those with lower income.
- In the SE, only 11% (median) of utilites' investments in their residential portfolio goes towards low-income services.

Source: http://aceee.org/sites/default/files/publications/researchreports/a1601.pdf

Structural inequity legacy – wealth gap



Notes: Data are weighed using Survey of Consumer Finances weights.
Source: Urban Institute calculations of the 2007 and 2010 Survey of Consumer Finances

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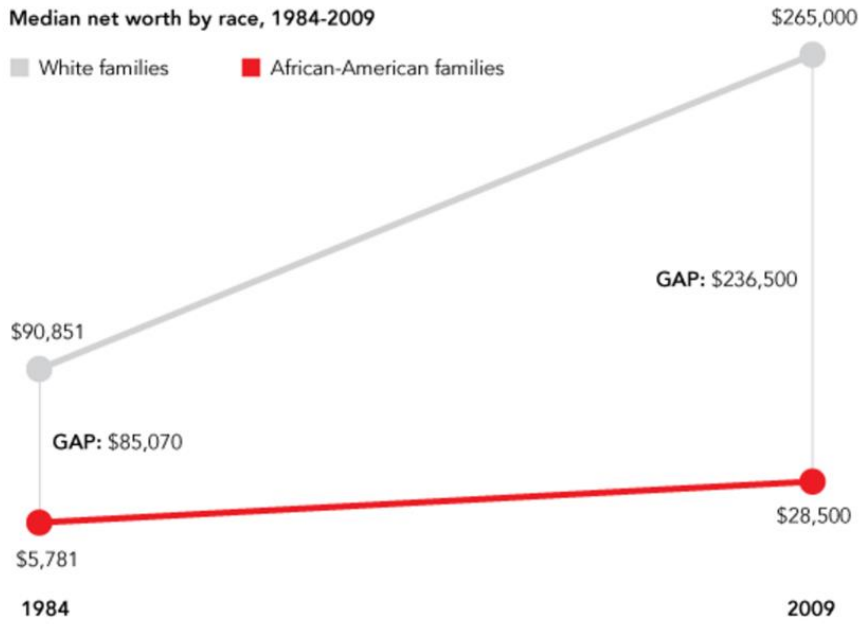

Source: Institute on Assets and Social Policy

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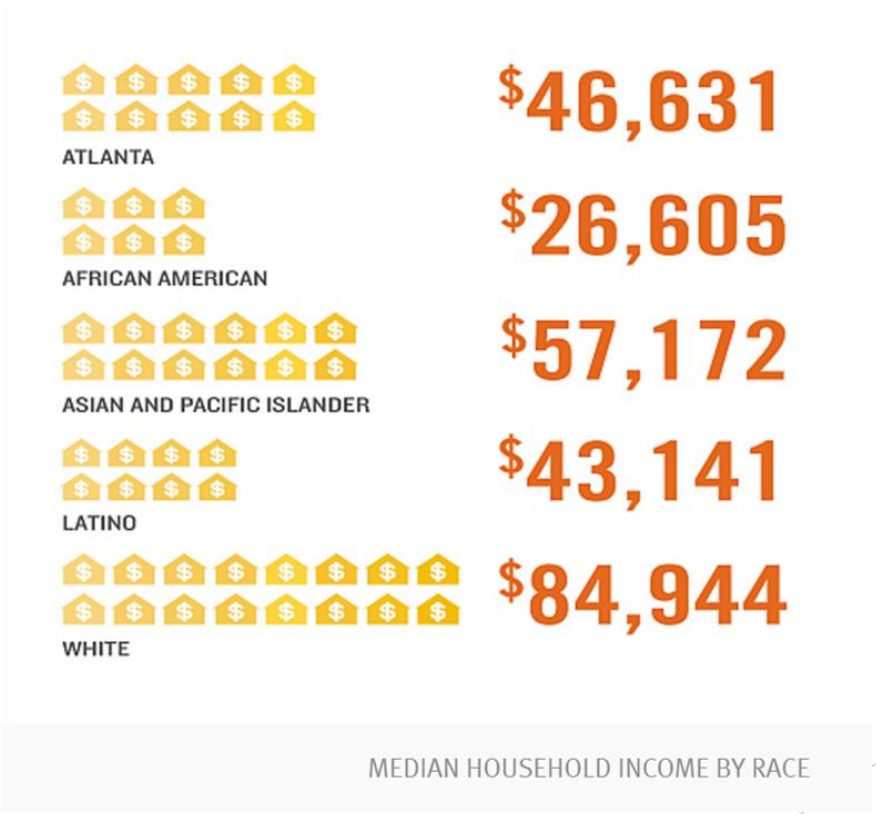
What this means in Atlanta

Metro Atlanta Ranked #1 for Lack of Income Mobility for Poor Children



Source: http://www.aecf.org/resources/changing-the-odds

Energy burden as equity indicator

What is threshold for “high burden” or unaffordable?

- **6% of gross household income**

  Based on the idea that a household can afford to spend about 30% of income on shelter costs and that about 20% of shelter costs are used for energy bills (Fisher Sheehan & Colton 2015)

- **11% of a household’s annual gross income**

  Applied Public Policy Research Institute for Study and Evaluation (APPRISE) uses a model that identifies a severe shelter burden as 50% or more of income, and energy costs as about 22% of shelter costs, resulting in 11% of income as an indicator of high energy burden (APPRISE 2007).

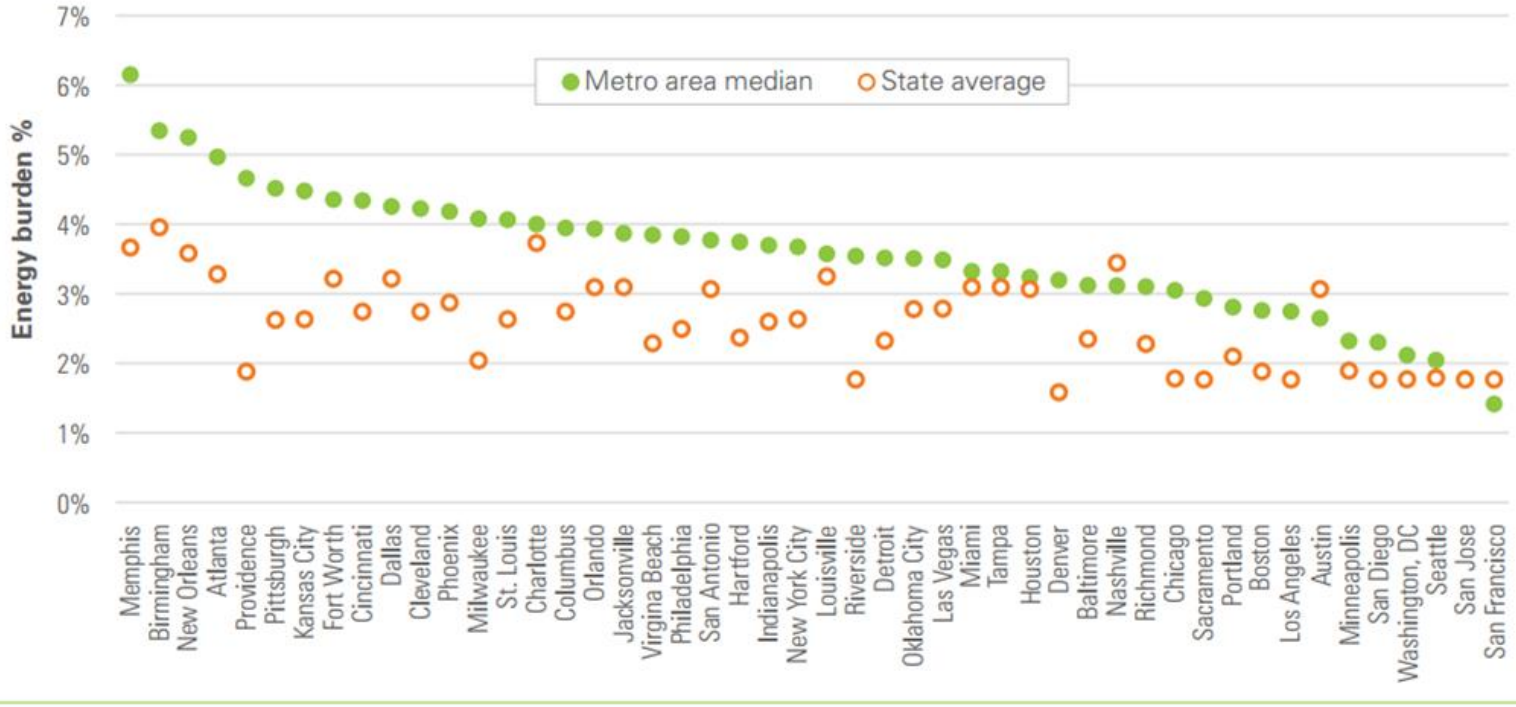
- **No higher than median % of household income**

  Nevada program indicates that low-income home energy burden should be no higher than that of a median income household (Nevada 2013). Others suggest that high energy burden should be defined as twice the median (Liddell et al. 2012; Moor 2012).

Source: Lifting the High Energy Burden in America’s Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities

SE Cities Rank High for Energy Burden

FIGURE 1. Median energy burden for metro area and average energy burden for state households. Metro areas are ranked by their median energy burden. We used American Housing Survey (AHS) data from 2011 and 2013 to calculate the median energy burden for the metro areas (Census Bureau 2011 and 2013a). We also used data from the 2011 and 2013 US Energy Information Administration (Annual Electric Power Industry Report, EIA-861) and average historical income from 2011 and 2013 (Census Bureau 2013b) to calculate the average energy burden for the states.



Source: Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities

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Energy Burden by City

TABLE 4. Energy burdens for demographic groups in the 10 cities with the highest energy burdens

	All households	Low-income households*	Low-income multifamily households	African-American households	Latino households	Renting households
1	Memphis (6.2%)	Memphis (13.2%)	Memphis (10.9%)	Memphis (9.7%)	Memphis (8.3%)	Memphis (8.6%)
2	Birmingham (5.3%)	Birmingham (10.9%)	Birmingham (8.7%)	Pittsburgh (8.3%)	Providence (7.3%)	Birmingham (7.3%)
3	New Orleans (5.3%)	Atlanta (10.2%)	Atlanta (8.3%)	New Orleans (8.1%)	Philadelphia (7.3%)	Atlanta (6.8%)
4	Atlanta (5.0%)	New Orleans (9.8%)	Providence (7.1%)	Kansas City (7.9%)	Kansas City (6.6%)	New Orleans (6.3%)
5	Providence (4.7%)	Providence (9.5%)	Pittsburgh (7.1%)	Birmingham (7.7%)	Atlanta (6.6%)	Providence (6.2%)
6	Pittsburgh (4.5%)	Pittsburgh (9.4%)	New Orleans (6.9%)	Milwaukee (7.4%)	Birmingham (6.6%)	Kansas City (6.1%)
7	Kansas City (4.5%)	Dallas (8.8%)	Columbus (6.5%)	St. Louis (7.4%)	Phoenix (6.0%)	Pittsburgh (6.0%)
8	Fort Worth (4.4%)	Philadelphia (8.8%)	Dallas (6.5%)	Cleveland (7.0%)	Dallas (6.0%)	Cincinnati (6.0%)
9	Cincinnati (4.3%)	Kansas City (8.5%)	Indianapolis (6.5%)	Cincinnati (6.9%)	Fort Worth (5.7%)	St. Louis (5.9%)
10	Dallas (4.3%)	Cleveland (8.5%)	Kansas City (6.3%)	Atlanta (6.6%)	Detroit (5.7%)	Cleveland (5.5%)

* Low-income includes both single- and multifamily households.

Source: Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities

Energy Burden by Quartile

Diving deeper than medians to understand what ¼ of each group experiences as burden

TABLE 5. Highest energy burden quartiles in the 10 cities with the highest energy burdens

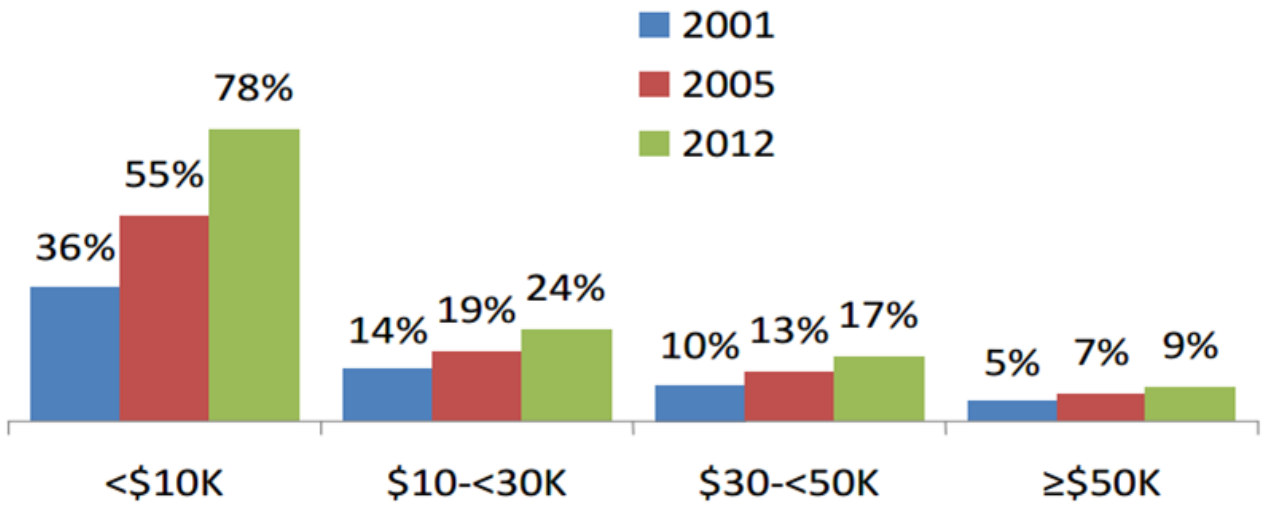
	All households	Low-income households*	Low-income multifamily households	African-American households	Latino households	Renting households
1	Memphis (12.8%)	Memphis (25.5%)	Memphis (21.8%)	Memphis (19.4%)	Memphis (15.9%)	Memphis (18.5%)
2	Birmingham (10.8%)	New Orleans (18.9%)	Birmingham (16.2%)	New Orleans (16.4%)	Philadelphia (15.7%)	Birmingham (15.1%)
3	New Orleans (10.0%)	Birmingham (18.8%)	Atlanta (15.7%)	Kansas City (16.2%)	Pittsburgh (12.4%)	Atlanta (13.3%)
4	Atlanta (9.7%)	Atlanta (18.2%)	Pittsburgh (15.7%)	Pittsburgh (16.1%)	Kansas City (12.0%)	St. Louis (12.9%)
5	Providence (8.7%)	Philadelphia (16.7%)	Chicago (14.6%)	Cincinnati (15.6%)	Providence (11.7%)	New Orleans (12.6%)
6	Pittsburgh (8.6%)	Providence (16.7%)	Cincinnati (13.0%)	Milwaukee (15.5%)	Atlanta (11.5%)	Cincinnati (12.1%)
7	Cincinnati (8.5%)	Pittsburgh (15.7%)	St. Louis (12.9%)	Birmingham (15.4%)	Hartford (11.1%)	Cleveland (11.9%)
8	Kansas City (8.4%)	Cincinnati (15.5%)	Cleveland (12.3%)	Chicago (15.3%)	Phoenix (10.7%)	Pittsburgh (11.9%)
9	Philadelphia (8.3%)	Detroit (15.3%)	Hartford (11.8%)	Detroit (14.8%)	Birmingham (10.4%)	Providence (11.7%)
10	Dallas (8.2%)	St. Louis (14.8%)	Fort Worth (11.4%)	St. Louis (14.4%)	Detroit (10.2%)	Kansas City (11.7%)

* Low-income includes both single- and multifamily households.

Source: Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities

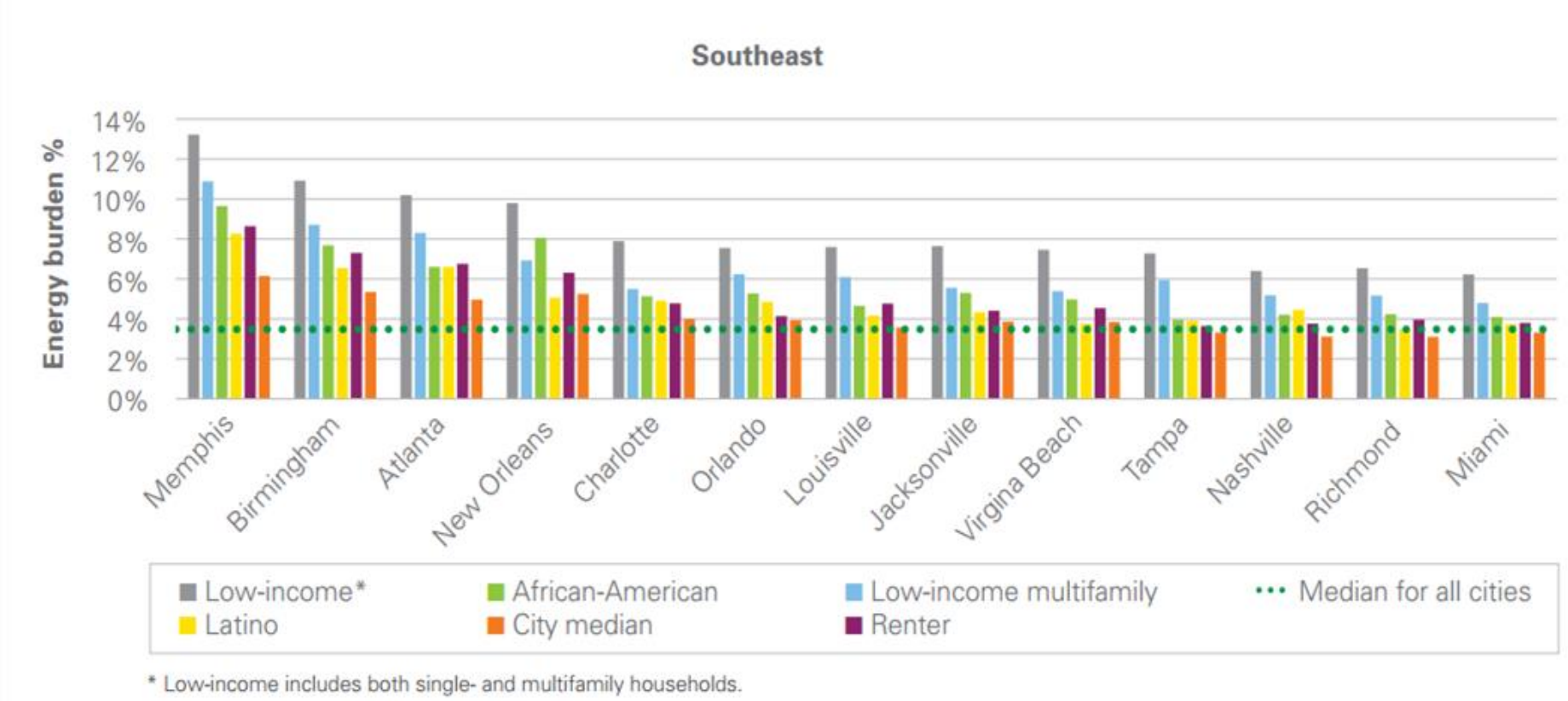
Lower-income families bear larger energy burdens

Energy Costs as % of Annual Household Income



Source: Source: http://www.americaspower.org/sites/default/files/Energy_Cost_Impacts_2012_FINAL.pdf

Energy burden for median household across Southeast cities



Source: Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities

Energy burden across other variables

TABLE ES1. Median income, utility bill, energy burden, and unit size for households based on income type, building type, building ownership, and household race for groups across all metro areas

	Household type	Median annual income	Median size of unit (square feet)	Median annual utility spending	Median annual utility costs per square foot	Median energy burden[1]
Income type	Low-income[2] (≤80% AMI)[3]	$24,998	1,200	$1,692	$1.41	7.2%
	Non-low-income	$90,000	1,800	$2,112	$1.17	2.3%
	Low-income multifamily (≤80% AMI)	$21,996	800	$1,032	$1.29	5.0%
	Non-low-income multifamily	$71,982	950	$1,104	$1.16	1.5%
Building ownership	Renters	$34,972	1,000	$1,404	$1.40	4.0%
	Owners	$68,000	1,850	$2,172	$1.17	3.3%
Head of household race	White	$58,000	1,600	$1,956	$1.22	3.3%
	African-American	$34,494	1,290	$1,920	$1.49	5.4%
	Latino	$39,994	1,200	$1,704	$1.42	4.1%
All households	N/A	$53,988	1,573	$1,932	$1.23	3.5%

[1] Energy burden is the percentage of household income that is spent on energy bills. To calculate median energy burden, we calculated energy burden for all households and then took the median. This value differs from the median energy burden that is calculated using median annual utility spending and income. [2] Low-income includes both single- and multifamily households. [3] Area median income (AMI) is the median dollar amount that divides the population into two equal parts.
Source: American Housing Survey (Census Bureau 2011 and 2013a).

Source: Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities

Median energy burdens of note

- On average, African American and white households were found to pay similar utility bills, but African American households experienced a median energy burden 64% greater than white households (5.4% and 3.3%, respectively).
- Latino households paid lower utility bills, on average, than African-American and white households did, yet they experienced a median energy burden 24% greater than white households (4.1% and 3.3%, respectively).
- Renters were also disproportionately impacted. The median renter experienced an energy burden greater than that of the median owner (4.0% and 3.3%, respectively).

Source: Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities

Low rates ≠ low costs

- In 2014, three of the five states with the highest average monthly utility bills for households—Alabama, South Carolina, and Mississippi—were states with average (not high) electricity prices and a wide range of gas prices.
- In 2014, New Orleans and Memphis were among the five cities with the lowest average electricity prices (both $0.10/kWh) and average gas prices ($10.9 and $10.1/1,000 ft3). Even with these low prices, these two cities are in the top three for highest average energy burden for all households, at 5.27% and 6.18%, respectively.
- From 2004 to 2014, average US residential electricity prices increased from 9 cents/kWh to 12.5 cents/kWh, an increase of 39% (EIA 2016a). In contrast, average adjusted income grew from $29,900 in 2004 to $30,180 in 2014, an increase of 0.9% (Census Bureau 2014). If energy prices continue to increase more rapidly than income, energy burden will continue to grow for vulnerable households.

Source: Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities

Ripple effects of high energy burdens

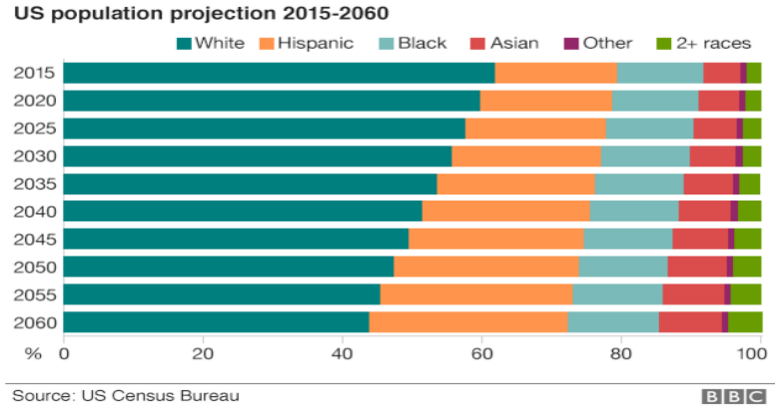
High energy burden can cause very real mental and physical health problems for household members due to thermal discomfort, inadequate lighting, unsafe housing conditions, and constant financial and social stress.

- In northern Kentucky, St. Paul, and Philadelphia, utility shutoffs were found to be one of the primary factors that led to homelessness
- Paying utility bills was the most common reason why individuals took out a payday loan

Source: Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities

The Changing Face of our Nation

The racial divide has become a generational divide



- BY 2019, majority of children under 18 will be children of color
- By 2030, the majority of workers under 25 will be workers of color
- Minorities-including Hispanics, blacks, Asians and those of mixed race accounted for 50.4% of births July 2011- July 2012
- Only 20% of today's seniors are people of color but 46% of today's youth are people of color

Source: PolicyLink National Equity Atlas