

ENERGY COST IMPACTS ON ALABAMA FAMILIES

The report “Energy Cost Impacts on Alabama Families”¹ provides information and data on energy expenditures by Alabama families at different income levels. Energy expenditures include electricity, natural gas, other home heating fuels, and transportation. Key findings indicate that higher energy prices, such as those caused by EPA policies, will harm lower-income and middle-income families in the state.

- ⊕ There are 1 million lower-income and middle-income families in Alabama. These families represent 56% of the state’s households and take home, on average, less than \$1,900 per month (about \$22,000 per year) after taxes. These same families spend 18% of their family budgets on energy, a substantially larger percentage than higher income families.
- ⊕ Real family incomes have declined since 2001. Declining family incomes magnify the effects of higher energy prices on lower-income and middle-income families.
- ⊕ Energy costs are consuming the household incomes of Alabama’s lower-income and middle-income families at levels comparable to other necessities such as food, housing, and health care.
- ❖ EPA’s Power Plan could increase electricity prices in Alabama by an average of 16% per year, with peak year increases of as much as 21%.² Because lower-income and middle-income families spend a larger percentage of their incomes on energy, electricity price increases caused by EPA’s Power Plan will fall disproportionately on lower-income and middle-income Alabama families.
- ⊕ Minorities and senior citizens are especially vulnerable to these electricity price increases due to their lower household incomes.

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¹ Eugene M. Trisko, *Energy Cost Impacts on Alabama Families* (Jan. 2016).

² NERA Economic Consulting, *Energy and Consumer Impacts of EPA’s Clean Power Plan* (Nov. 7, 2015).