

## ENERGY COST IMPACTS ON MICHIGAN FAMILIES

The report “Energy Cost Impacts on Michigan Families”<sup>1</sup> provides information and data on energy expenditures by Michigan 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 nearly 2 million lower-income and middle-income families in Michigan. These families represent half the state’s households and take home, on average, just under \$2,000 per month (less than \$24,000 per year) after taxes. These same families spend 17% 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 Michigan’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 Michigan by an average of 13% per year, with peak year increases of as much as 16%.<sup>2</sup> 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 Michigan families.
- ✦ Minorities and senior citizens are especially vulnerable to these electricity price increases due to their lower household incomes.

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<sup>1</sup> Eugene M. Trisko, *Energy Cost Impacts on Michigan Families* (Jan. 2016).

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