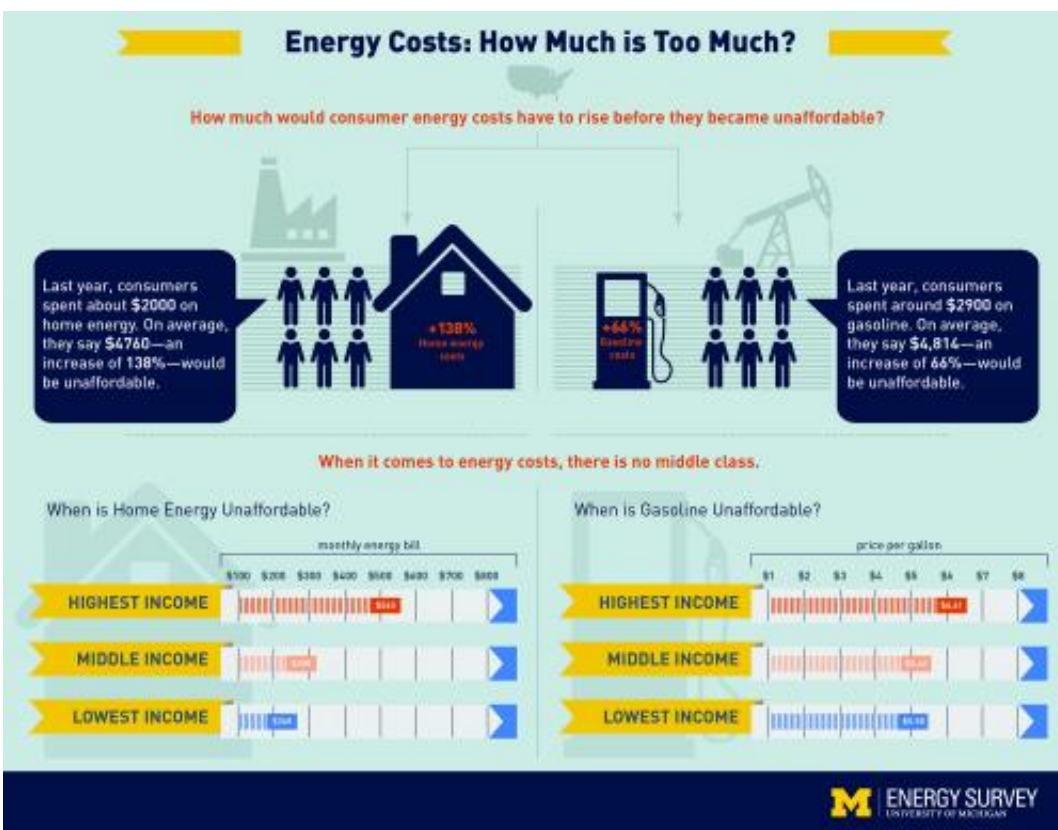


Survey reveals how personal concerns, income shape consumer attitudes about energy

January 29 2015, by Amy Mast



Americans are just as concerned about energy's impact on the environment as they are about its affordability, according to first-year results of the University of Michigan Energy Survey.

Consumers also express much greater sensitivity to higher [gasoline prices](#) than they do to higher home [energy](#) bills.

Conducted quarterly, the U-M Energy Survey takes an academically rigorous look at [consumers'](#) individual concerns about energy, what it costs their households and their beliefs about its affordability, reliability and [environmental impact](#). The survey is fielded in conjunction with the U-M Surveys of Consumers, the same longstanding survey that generates the widely reported index of consumer sentiment.

"This new survey is unique in how it examines personal concerns about energy as consumers view it in their everyday lives," said survey director John DeCicco, research professor at the U-M Energy Institute. "This careful approach differs from surveys that prompt consumers for their responses on the often politically driven energy debates of the day."

The survey's major first-year findings include:

- **Most Americans feel energy is affordable.** Views on affordability were probed by asking consumers how much more expensive energy would have to be before they would have to make changes in household behavior. On average, 93 percent of consumers feel that home energy is affordable and 95 percent feel gasoline is affordable (the data reported here were taken before the recent plunge in gasoline prices, and so do not yet reflect how consumers' views might have changed).
- **Higher-income consumers say they could bear much greater cost increases than middle and lower-income consumers.** On average, lower- and middle-income consumers said that it would be unaffordable if their home energy bills were to double, whereas for higher-income consumers, that threshold would not be reached until energy bills tripled.
- **Lower-income consumers are more pessimistic about future**

energy costs. When asked about [energy costs](#) five years from now, 32 percent of lower-income consumers said they expected home [energy bills](#) to reach levels they would find to be unaffordable, in contrast to 18 percent of middle-income and 10 percent of higher-income respondents.

- **Consumers express much greater sensitivity to higher gasoline prices than they do to higher home energy bills.** On average, consumers view a 140-percent price increase as unaffordable for [home energy bills](#). In contrast, they see a 66-percent price increase as unaffordable for gasoline. When it comes to gasoline, however, there is no middle class: both middle- and lower-income consumers say that it would be unaffordable if it hit \$5.60 per gallon. In contrast, upper-income consumers would not find gasoline unaffordable until it reached \$6.60 per gallon.
- **Consumers are at least as concerned about the impact of energy on the environment as they are about the affordability of energy.** Among survey respondents, 59 percent say they worry "a great deal" or "a fair amount" about the environmental impact of energy, while 55 percent worry to the same degree about affordability. They were less concerned about energy reliability, with 32 percent worrying a great deal or a fair amount about it.
- **When it comes to concern about energy's impact on the environment, geography matters.** Residents of the Northeast registered the most concern with energy's environmental impact, with 68 percent of consumers saying they worry "a great deal" or "a fair amount" about the environmental impact of energy. The level of concern was lower in the South and West, where 56 percent of respondents worry a great deal or a fair amount. The Midwestern response squared with the national average of 59 percent.

More information: The University of Michigan Energy Survey Year One Report: [energy.umich.edu/sites/default ... t layout version.pdf](https://energy.umich.edu/sites/default/files/2015-01/energy_survey_year_one_report_layout_version.pdf)

Provided by University of Michigan

Citation: Survey reveals how personal concerns, income shape consumer attitudes about energy (2015, January 29) retrieved 27 April 2024 from <https://phys.org/news/2015-01-survey-reveals-personal-income-consumer.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.