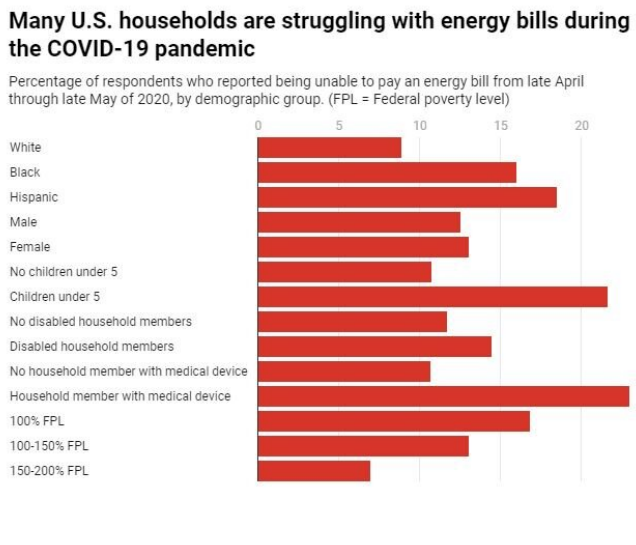
Energy is a basic need, and many Americans are struggling to afford it in the COVID-19 recession

30 July 2020, by Sanya Carley and David Konisky



Credit: The Conversation, CC-BY-ND Source: Survey of Household Energy Insecurity in the Time of COVID

Several months into the COVID-19 pandemic crisis, lower-income families are struggling to pay their energy bills. That's a big concern during extreme events like summer heat waves, which can be deadly—especially for elderly people, young children, people of color and the poor.

We ran a nationally representative survey in May 2020 of U.S. low-income households to measure energy insecurity. We found that 13% of respondents had been unable to pay an energy bill during the prior month, 9% had received an electricity utility shutoff notice and 4% had had their electric utility service disconnected.

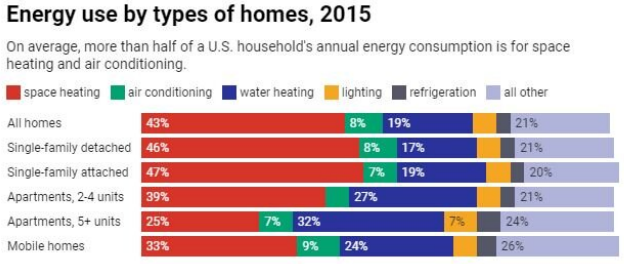
More than half of the states temporarily barred utilities from disconnecting customers who were unable to pay their bills due to financial hardship in the early months of the economic downturn. Still, extrapolating our findings to the national level suggests that approximately 800,000 low-income households may have recently had their electricity disconnected.

And the problem could get worse as the economy continues to struggle. As scholars who study energy policy, the environment and energy justice, we believe energy assistance should be a central part of ongoing state and federal relief efforts.

Energy insecurity affects well being

Energy insecurity is already a widespread problem in the U.S. It disproportionately affects those at or below the poverty line, Black and Hispanic households, families with young children, people with disabilities and those who use electronic medical devices. Our survey is the first to try to quantify it among low-income households.

When families cannot afford to keep their lights on, or heat or cool their homes to comfortable temperatures, they suffer physically and mentally. Risks include exposure to dampness, mold and humidity; dangerous practices, such as using stoves for space heating; and feelings of chronic stress, anxiety and depression.



Credit: Chart: The Conversation, CC-BY-ND Source: EIA

Before 2020, energy insecurity was expected to worsen due to rising energy costs, coupled with more frequent heat waves and cold spells due to climate change. Now the COVID-19 pandemic presents an additional, unprecedented challenge.

Unemployment remains high. Power shutoff moratoriums in many states are reaching their expiration dates. Many households will struggle to cover monthly expenses such as energy bills, along with necessities such as rent and groceries.

Job losses, energy challenges

We surveyed a nationally representative sample of households at or below 200% of the federal poverty line, which is about US$51,500 for a family of four. YouGov, a private polling and market research firm, conducted the survey online from April 30, 2020 through May 25, 2020 for our Indiana University research team.

The survey was taken by 2,381 respondents. It included questions about energy expenses, household energy behavior and activities since the onset of the COVID-19 pandemic.

About a quarter of survey respondents had lost jobs, had their hours reduced or been placed on furlough without pay since the start of the pandemic. Of those with a change in employment status, approximately 15% lost their health insurance, and an additional 10% experienced a reduction in benefits. Before the pandemic, 22% had already lacked health insurance.

Households facing such hardships must choose between covering energy costs and other expenses. Approximately 22% of respondents reported that in the previous month they had reduced or put off expenses for basic needs like medicine or food in order to pay their energy bills.

Energy insecurity has increased

As people spend more time at home through the hot summer months, many are using more energy for essential services. They are running air conditioners, refrigerators, cooking appliances and electronic and medical devices. And, as the school year begins, students attending school from home will need to power computers and other devices.

The combination of rising energy use and falling incomes is likely to increase low-income households' energy burdens—the proportion of their incomes they spend on energy. We expect that this trend will move a whole new population of households into energy insecurity. Some may try to cope without important energy uses, such as air conditioning, fans and refrigeration.

Federal and state governments can help. For example, Congress could pass legislation imposing a universal moratorium on utility shutoffs. And state regulators could prevent utilities from charging late and reconnection fees while the pandemic persists and people remain unemployed. Following a moratorium, regulators could also consider debt forgiveness as households recover.

Governments and organizations—public, private and nonprofit—can also offer bill assistance to vulnerable households and financial assistance to small businesses. One way would be to expand the federal Low-Income Home Energy Assistance Program, or LIHEAP, or other financial assistance programs, such as unemployment benefits and the Paycheck Protection Program. The Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, provided $900 million in supplemental funding for LIHEAP, but this only scratches the surface of what is needed.

Governments should also consider increasing funding for the Department of Energy's Weatherization Assistance Program. This program represents a longer-term solution that can help low-income households save money on energy bills by repairing and upgrading key components like furnaces and ducts, and ensuring that houses are well insulated, sealed and ventilated.

So far in the pandemic, federal and state governments have focused on Americans' immediate material needs. But millions of households are currently struggling to cover their energy costs, and living without energy could be a matter of life or death. Governments have the ability to help prevent this kind of secondary

disaster, and more generally to recognize that energy is a basic and essential human need.

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