



Center for
Energy Poverty
and Climate

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**Low Income Families Struggle to Pay Home Energy Bills
Winter Heating Prices Drop to Pre-Pandemic Levels while the Price of Summer Cooling Soars
Federal Funding for Energy Assistance Reduced by \$2 Billion**

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The cost of home heating is one of the few bright spots for families struggling to pay for everyday essentials such as food and gasoline whose prices remain high. The costs of winter heating, especially for those using natural gas, are returning to more affordable levels we have not seen since before the pandemic. At the same time, low-income families continue to struggle to pay their home heating and cooling bills, falling further behind as federal funding for the Low Income Home Energy Assistance Program is cut by \$2 billion.

The average cost of home heating (Table 1A) dropped by 12.1% since last winter, from \$951 to \$836. All fuel sources declined in price as follows natural gas 21.2%, heating oil 12.8%, propane 6.8%, electricity 5.8%. At the beginning of the pandemic, the average cost of home heating was about \$725, or \$115 more than this winter’s prices. Factoring inflation, however, tells a different story. The price of home energy, accounting for inflation the price for home heating was about the same as it was at the beginning of the pandemic (Table 1B).

Table 1A: Average Cost of Home Energy 2020-21 to 2023-24

Average Expenditure is a weighted average of all home heating sources, using the number of households by energy type.

Winter Heating Season	Electricity	Natural Gas	Propane	Heating Oil	Average Expenditures
2020-21	\$917	\$514	\$1080	\$1093	\$725
2021-22	\$974	\$658	\$1527	\$1708	\$852
2022-23	\$1078	\$763	\$1381	\$1723	\$951
2023-24	\$1024	\$602	\$1287	\$1502	\$836
\$ Difference 23-24 to 22-23	-\$55	-\$162	-\$94	-\$221	-\$115
% Difference 23-24 to 22-23	-5.1%	-21.2%	-6.8%	-12.8%	-12.1%

Source: EIA • Created with Datawrapper

Table 1B: Average Cost of Home Energy 2020-21 to 2023-24 (Constant Dollars, Adjusted for Inflation)

Average Expenditure is a weighted average of all home heating sources, using the number of households by energy type.

Winter Heating Season	Electricity	Natural Gas	Propane	Heating Oil	Average Expenditures
2020-21	\$1073	\$602	\$1264	\$1280	\$849
2021-22	\$1051	\$710	\$1647	\$1843	\$919
2022-23	\$1108	\$785	\$1420	\$1771	\$978
2023-24	\$1024	\$602	\$1287	\$1502	\$836
\$ Difference 23-24 to 22-23	-\$85	-\$183	-\$133	-\$269	-\$142
% Difference 23-24 to 22-23	-7.7%	-23.3%	-9.3%	-15.2%	-14.5%

*inflation rate calculated from march of that year compared to most recent CPI (2/24)

Source: EIA • Created with Datawrapper

In the aggregate, the cost of home heating declined by \$14.6 billion (Table 2A) since last winter. Those using natural gas accounting for about 66.7% of the savings, while natural gas consumers accounted for only 47% of total households (Table 2B). The savings were followed by those using electricity, making up 21.1% of total households, heating oil (7.2% of total households), and propane (4.2% of total households).

Table 2A: Aggregate Savings 22-23 to 23-24

	Customers	% of Total	Average Price	Aggregate Price	Average Savings	Total Savings	% Savings
Natural Gas	60,088,000	47.3%	\$602	\$36,172,976,000	\$162	\$9,734,256,000	66.6%
Electric	55,730,000	43.8%	\$1024	\$57,067,520,000	\$55	\$3,065,150,000	21.0%
Heating Oil	4,789,000	3.8%	\$1502	\$7,193,078,000	\$221	\$1,058,369,000	7.2%
Propane	6,513,000	5.1%	\$1287	\$8,382,231,000	\$94	\$612,222,000	4.2%
All Fuels	127,120,000	100.0%	\$836	\$106,272,320,000	\$115	\$14,618,800,000	100.0%

Source: EIA • Created with Datawrapper

Census Pulse Report Shows Rapid Increase in Families Struggling to Pay High Energy Bills: The March 2024 Household Pulse Survey reported that the percent of all families that were unable to pay their home energy bill at least once in the last 12 months increased significantly from 21.3% in March 2023 to 23.5% in March 2024 (Table 3A). **For families with young children the rate of increase was even greater from 28.4 percent to 33.1%.**

The increase in the percent of families with children who were struggling to pay their energy bills suggests that the end of the enhanced child tax credits as well as other pandemic income support programs are having a direct impact on their ability to pay basic expenses. For those families with incomes of less than \$50,000 the total number of families that were unable to pay their home energy bill at least once in the 12 months increased 34.9 percent to 38.3% (Table 3A). Similar patterns were shown for families that reported foregoing basic necessities to pay their energy bills as well as keeping their homes at an “unsafe temperature” (Table 3C).

Table 3A: Percent of Households Unable to Pay Energy Bill

House was unable to pay an energy bill or unable to pay the full bill amount, at least one month in the last year

Time Period	Overall	Households w/ Children	Low-income Households <\$50k	Households of Color
3/1/2023 - 3/13/2023	21.3%	28.4%	34.9%	29.7%
2/6/2024 - 3/4/2024	23.5%	33.1%	38.3%	33.0%

Table: NEADA • Source: Census Pulse Survey • Created with Datawrapper

Table 3B: Percent of Households Foregoing Basic Necessities to Pay Energy Bills, by Survey Period

Household reduced or forewent expenses for basic household necessities, such as medicine or food, in order to pay an energy bill, at least one month in the last year

Time Period	Overall	Households w/ Children	Low-income Households <\$50k	Households of Color
3/1/2023 - 3/13/2023	33.8%	38.7%	50.6%	43.7%
2/6/2024 - 3/4/2024	34.3%	41.5%	51.9%	44.0%

Table: NEADA • Source: Census Pulse Survey • Created with Datawrapper

Table 3C: Percent of Households Keeping Home at Unsafe Temperature to Save Money on Energy Bill, by Survey Period

Household kept home at a temperature that felt unsafe or unhealthy, at least one month in the last year

Time Period	Overall	Households w/ Children	Low-income Households <\$50k	Households of Color
3/1/2023 - 3/13/2023	22.3%	20.0%	31.7%	26.5%
2/6/2024 - 3/4/2024	22.9%	22.2%	34.0%	27.3%

Table: NEADA • Source: Census Pulse Survey • Created with Datawrapper

Families Fall Behind on Utility Bills: Utility Debt Reaches Record Levels: More than one out of six households are behind on their energy bills, at 16 percent (21.2 million) of all U.S. households. During calendar year 2023, the national arrearage balance increased from \$17.7 billion in January 2023 to \$20.3 billion in December 2023.

Summer Cooling Presents New Challenges for States: While the cost of winter heating is falling back to pre-pandemic levels, the cost of cooling continues to increase as rising summer temperatures continue

to break national records. Last summer, NEADA estimated that the cost of summer cooling due to record temperatures rose by 11.7% to an average of \$578, up from \$517 during the summer of 2022.

Deaths from extreme heat causes more deaths each year than any other weather event, including floods, hurricanes and tornadoes, [according to the National Weather Service](#). An extreme example of the impact of summer heat waves is Maricopa County, Arizona. Last year, the County reported 469 heat-related deaths, up from 372 in 2022.

Energy Assistance Funding Reduced by \$2 billion: The recently passed Labor/HHS bill, which provides funding for LIHEAP, reduced total LIHEAP funding from about \$6.1 billion to \$4.1 billion. States have told us that without the additional \$2 billion, they will have no choice but to: a) reduce crisis assistance to families to help with remaining winter heating bills; cut back on weatherization assistance; and c) either reduce or end cooling programs. This is of special concern because unlike the price of winter heating, the cost of summer cooling is going up due to the unprecedented rising of summer temperatures.

States are reporting to NEADA that with the reduction in funds they will have to scale back not only average grants, crisis assistance and weatherization, but they will also have to scale back or eliminate entirely their cooling programs.

Congress and the Administration Need to Address the Long-Term Need for Affordable Cooling as well as Heating. They can do this by providing consistent and long term funding to LIHEAP energy assistance year round as temperatures continue to increase and low income families, especially those who are elderly or disabled, who remain at the greatest risk of high temperatures and their dangerous medical effects.

The Administration recently requested \$4.1 billion for FY 2025, a small increase over this year's funding, but a far cry from the amount the program needs to keep up with rising temperatures and volatile energy prices. We already know that states will not have enough funds this summer to pay for the rising need for air conditioning. Without a significant increase in investment, the program will continue to fail our most vulnerable households every summer.

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Primary Sources: US EIA, NOAA Climate Prediction Center, and the US Census Bureau.

The National Energy Assistance Directors Association (NEADA) is a non-profit organization that represents the state directors of the Low Income Home Energy Assistance Program. The Center for Energy Poverty and Climate is a non-profit research organization that helps low-income families adapt to rising temperatures by developing and supporting research in support of energy affordability and retrofit programs, policies, and strategies.