

NEADA

NATIONAL ENERGY ASSISTANCE DIRECTORS ASSOCIATION

Energy Hardship Report

April 2024

Introduction

Energy price fluctuations can affect whether or not a low-income family can afford to pay their energy bills. Through the Energy Hardship Project, the National Energy Assistance Directors Association (NEADA) tracks energy prices, energy bill arrearages, and the toll unaffordable energy costs take on struggling families.

Data in this report come from various sources, including the Bureau of Labor Statistics, Energy Information Administration, Census Bureau, and utilities.

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The National Energy Assistance Directors Association (NEADA) is the primary educational and policy organization for state directors of the Low Income Home Energy Assistance Program (LIHEAP) a federal program that helps low-income families pay their energy bills.

Key Findings

- 1. Winter home heating bills have finally started to approach pre-pandemic pricing levels. The average cost of home heating dropped by 12.1% since last winter, from \$951 to \$836. When accounting for inflation, the price of home heating this winter was about the same as it was at the beginning of the pandemic. See pages 3-6.**
- 2. The latest Census Pulse Report demonstrates a rapid increase in families that are struggling to pay high energy bills. The most recent survey found that 1 in 4 households could not afford their energy bill at least once in the past year. See pages 7-9.**
- 3. Meanwhile, Summer Cooling presents new challenges, and health dangers, for states. Extreme heat causes more deaths each year than any other weather event. See page 10.**
- 4. Despite more affordable fuel prices, arrearages remain stubbornly high. NEADA estimates 16% of households are behind on their energy bills and owe a total of \$20.3 billion as of December 2023. See pages 11-12.**
- 5. Finally, crucial energy assistance funding has been reduced by \$2 billion. States have reported that in response to the reduced funding they will need to cut crisis assistance, reduce or end cooling programs, and/or cut back on other program components such as weatherization. See pages 13-14.**

Section 1: Winter Fuel Prices Finally Decreasing

All fuel sources declined in price from winter 2022-23 as follows:

electricity 5.1%,

natural gas 21.2%,

propane 6.8%,

heating oil 12.8%.

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

In the aggregate, the cost of home heating declined by \$14.6 billion between the winter of 2022-23 and 2023-24.

Natural gas users accounted for 66.6% of the savings but only 47% of total customers, reflecting the **proportionally larger decline in natural gas prices.**

Aggregate Savings 22-23 to 23-24

	Customers	% of Total	Average Price	Aggregate Price	Average Savings	Total Savings	% of Savings
Natural Gas	60.1M	47.3%	\$602	\$36.2B	\$162	\$9.7B	66.6%
Electric	55.7M	43.8%	\$1024	\$57.1B	\$55	\$3.1B	21.0%
Heating Oil	4.8M	3.8%	\$1502	\$7.2B	\$221	\$1.1B	7.2%
Propane	6.5M	5.1%	\$1287	\$8.4B	\$94	\$612.2M	4.2%
All Fuels	127.1M	100.0%	\$836	\$106.3B	\$115	\$14.6B	100.0%

Source: EIA • Created with Datawrapper

When accounting for inflation, the average cost of home energy declined to about the same level as it was at the beginning of the pandemic.

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 of All Sources
2020-21	\$1073	\$602	\$1264	\$1280	\$849
2021-22	\$1051	\$710	\$1647	\$1843	\$919
2022-2023	\$1108	\$785	\$1420	\$1771	\$978
2023-2024	\$1024	\$602	\$1287	\$1502	\$836
\$ Difference 23-24 to 20-21	-\$50	-\$0	\$22	\$222	-\$13
% Difference 23-24 to 20-21	-4.7%	0.0%	1.6%	13.9%	-1.5%

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

Source: EIA • Created with Datawrapper

This table shows historical residential winter heating expenditure data by year and fuel type.

Note: Expenditures are unadjusted for inflation.

Estimated Winter Heating Cost by Year

Winter Heating Season	Natural Gas	Electricity	Heating Oil	Propane	All Fuels
2018-19	\$528	\$927	\$1,386	\$1,336	\$751
2019-20	\$479	\$885	\$1,202	\$1,037	\$698
2020-21	\$514	\$917	\$1,093	\$1,080	\$725
2021-22	\$658	\$974	\$1,708	\$1,527	\$852
2022-23	\$763	\$1,078	\$1,723	\$1,381	\$951
2023-24	\$602	\$1,024	\$1,502	\$1,287	\$836

Source: EIA • Created with Datawrapper

Section 2: Energy Bills Remain a Pain Point for Struggling Families

The Census Pulse Survey reported that **the percentage of households that could not pay their energy bill for at least one month in the last year increased, from 21.3% to 23.5%.**

The largest increase in the amount of households unable to pay their energy bill at for at least one month was in **households with children**, which increased from 28.4% to 33.1%.

Percent of Households Unable to Pay Energy Bill

Household 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 March 2024 • Created with Datawrapper

The percentage of households reporting that **they kept their home at unsafe temperatures** also increased during the 12-month period, from 22.3% to 22.9%.

The largest increase with this metric was in **low-income households**, from 31.7% to 34.0%.

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 March 2024 • Created with Datawrapper

The Census Pulse Survey reported that **more than one out of three households (34%) reduced or forewent basic household expenses** at least once during the previous 12 months in order to pay their home energy bills.

Of all households surveyed during the reporting period, the largest increase was in **households with children**, from 38.7% to 41.5%.

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 March 2024 • Created with Datawrapper

Cooling Costs Remain High

While the cost of winter heating is falling back to pre-pandemic levels, cooling costs continue to increase as summer temperatures continue to break national records.

NEADA estimated that the cost of cooling last summer, due to record temperatures, rose by 11.1% to an average of \$578, up from \$517 during the summer of 2022.

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.

Residential Summer Electricity Expenditures

Region	EIA Expenditures 2022	NEADA Forecast 2023	% Difference
New England	\$499	\$566	12.6%
Mid Atlantic	\$481	\$575	17.8%
East North Central	\$444	\$573	25.4%
West North Central	\$472	\$532	12.0%
South Atlantic	\$563	\$628	10.9%
East South Central	\$586	\$653	10.8%
West South Central	\$642	\$706	9.5%
Mountain	\$455	\$538	16.7%
Pacific	\$471	\$499	5.8%
National Average	\$517	\$578	11.1%

Source: EIA & NEADA • Created with Datawrapper

Arrearages Remain High Despite Lower Prices

More than one out of six households are behind on their energy bills, at 16% (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.

Sources: Select publicly-available state and utility arrearage data

Natural Gas - Residential National Arrearage Estimates

	Percent Households in Arrears	Estimated Total Households in Arrears	Average Amount Owed	Estimated Natural Gas Arrearages
23-Dec	17.9%	14.3M	\$406	\$5.8B
22-Dec	17.4%	13.9M	\$351	\$4.9B

Source: Utility Arrearage Reports • Created with Datawrapper

Electricity - Residential National Arrearage Estimates

	Percent Households in Arrears	Estimated Total Households in Arrears	Average Amount Owed	Estimated Electric Arrearages
23-Dec	16.2%	21.2M	\$684	\$14.5B
22-Dec	15.3%	20.1M	\$642	\$12.9B

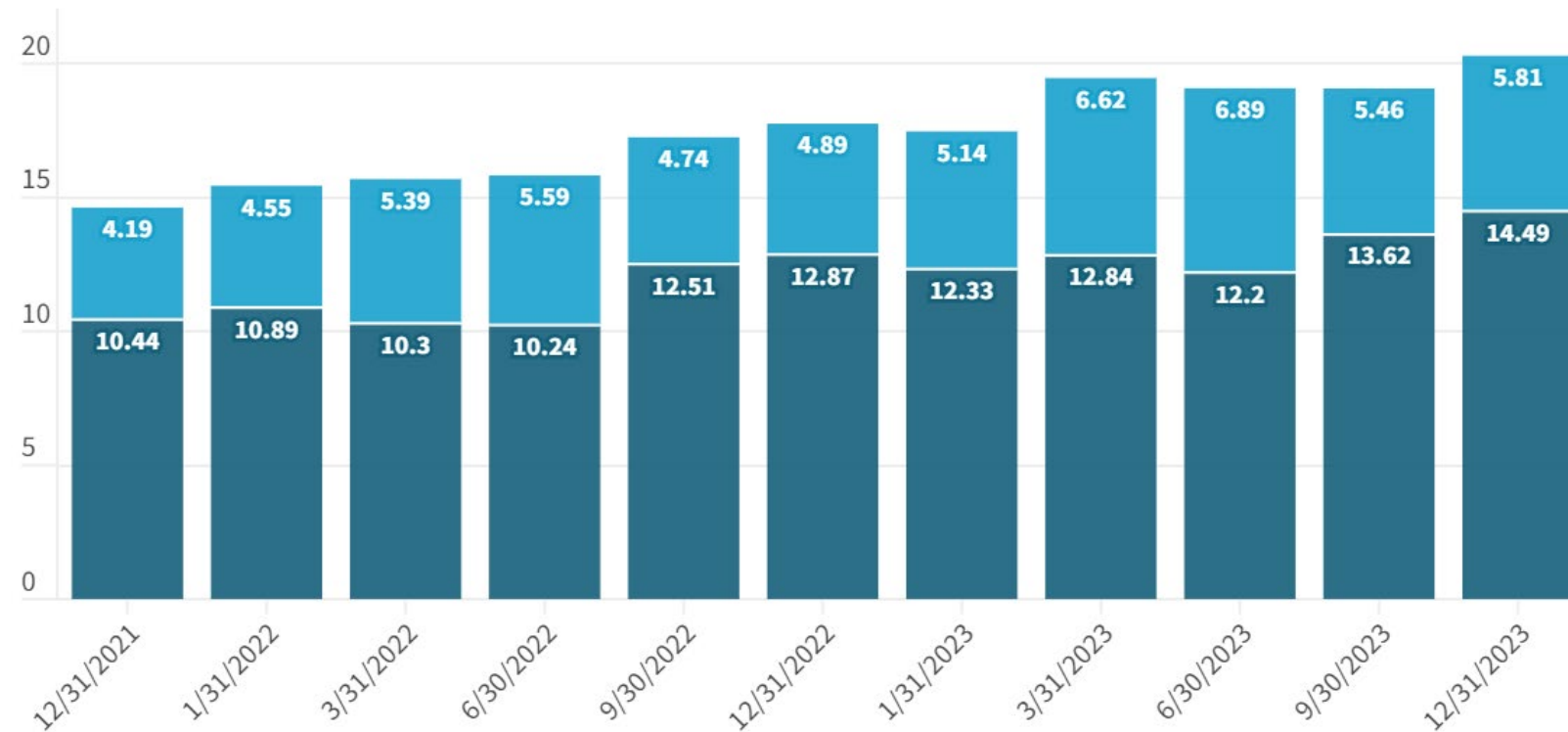
Source: Utility Arrearage Reports • Created with Datawrapper

Electric and gas utility arrears have been **increasing steadily since the beginning of the pandemic**, from \$14.6 billion at the end of 2021 to \$20.3 billion at the end of 2023.

Residential Utility Arrears Estimates 12/2021 to 12/2023

■ Electric Arrears ■ Gas Arrears

Arrears in Billions of Dollars

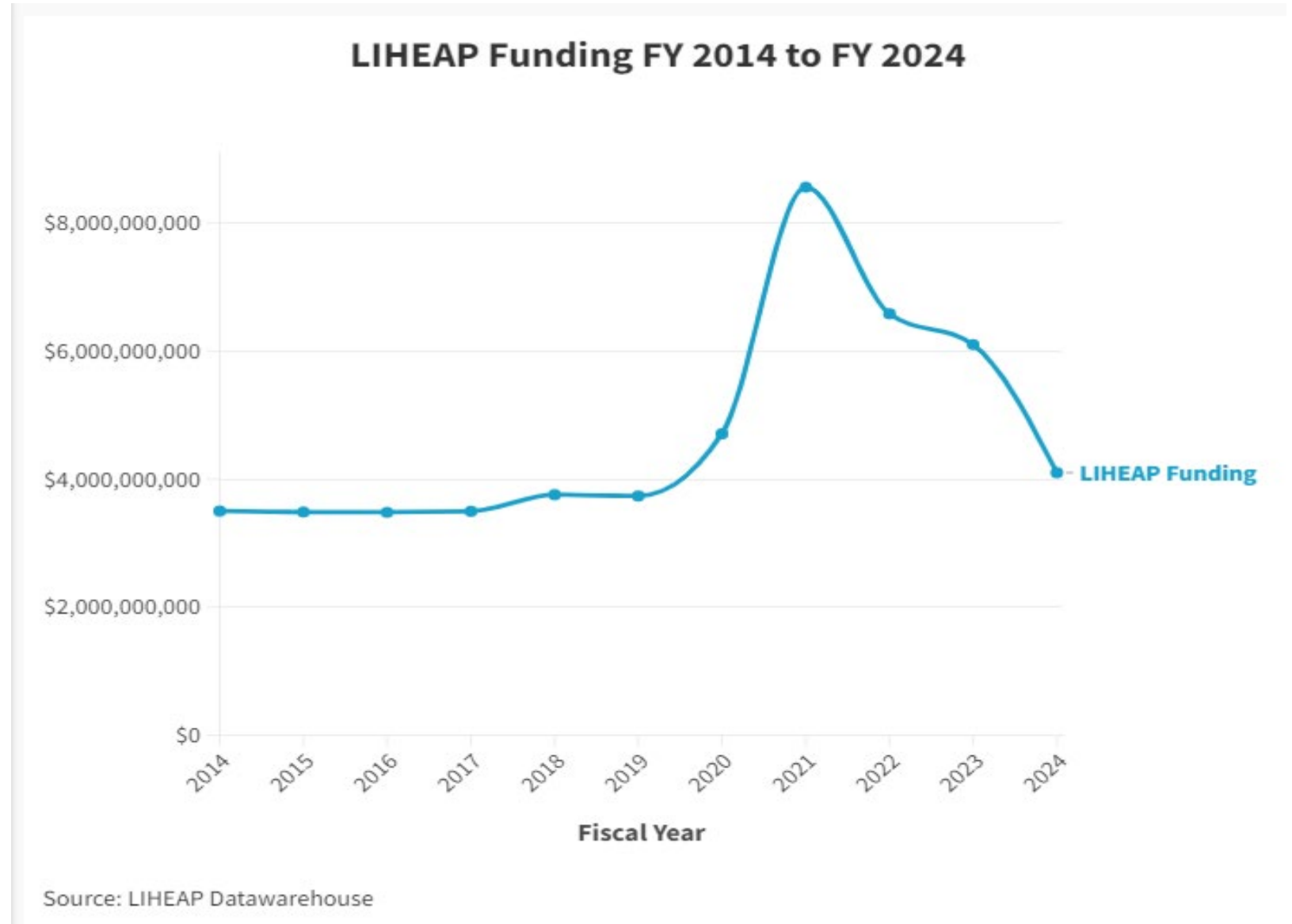


Source: Utility Arrearage Reports

Section 3: LIHEAP Funding and Households Served

Crucial energy assistance funding was **reduced by \$2 billion for FY24.**

The final Labor/HHS bill, which provides funding for LIHEAP, reduced total LIHEAP funding from about \$6.1 billion in FY 23 to \$4.1 billion in FY 24.



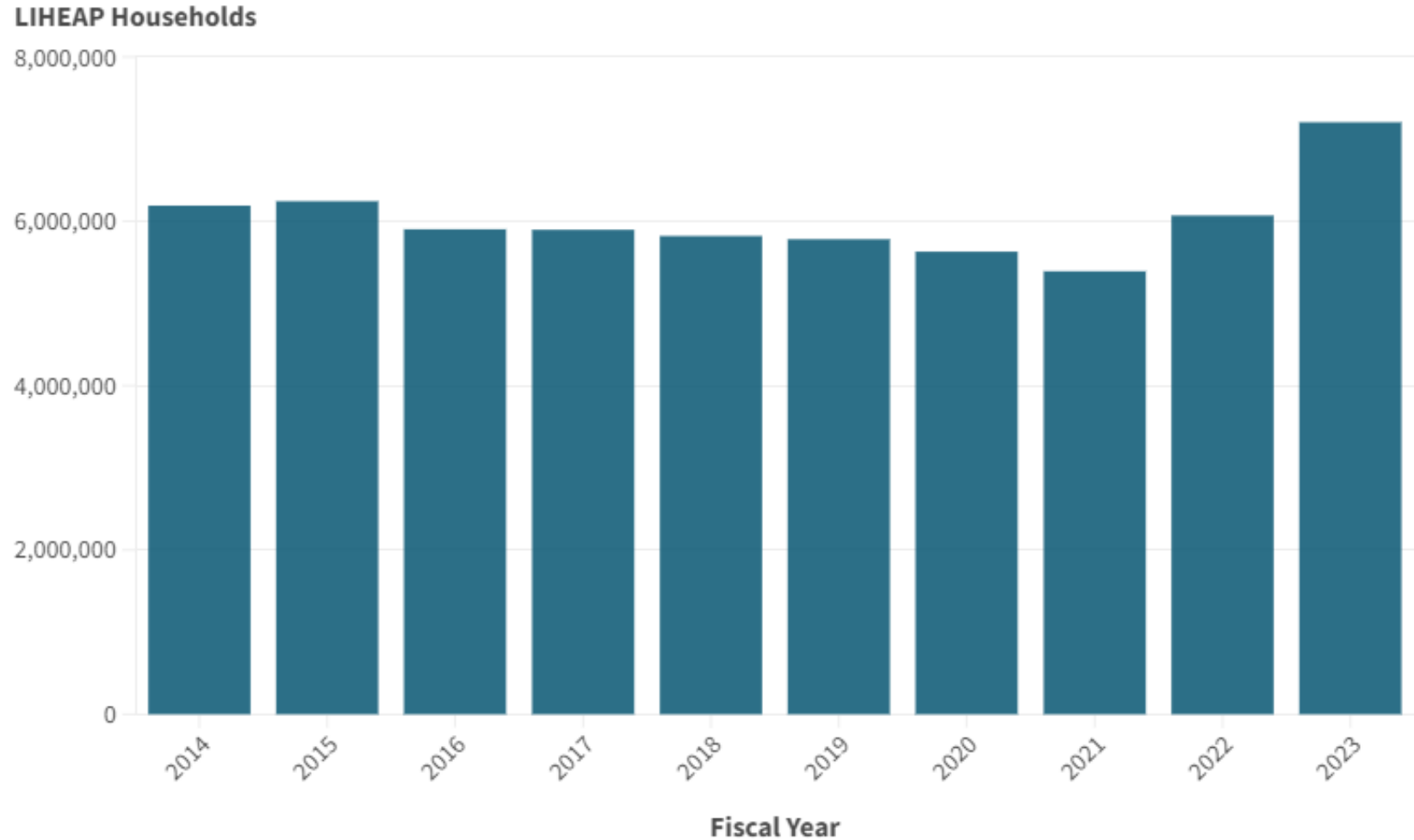
The number of households receiving LIHEAP increased from about six million in FY 22 to an estimated seven million in FY 23.

With funding reduced \$4.1 billion in FY 24, **states will need to reduce program services to adjust to lower budget numbers.**

States have reported to NEADA that they are planning to make significant changes to address the cut in their LIHEAP programs by:

- a) reducing crisis assistance to families to help with remaining winter heating bills;
- b) cutting back on weatherization assistance;
- c) either reducing or ending cooling programs.

Household Receiving LIHEAP Assistance FY 2014 - FY 2023



Source: LIHEAP Datawarehouse • 2023 Households are Estimated

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