

LOW-INCOME ENERGY BURDEN

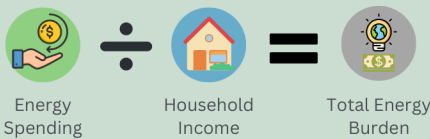
JANESVILLE, WI

Energy affordability is a challenge for everyone in this era of supply disruptions, inflationary pressures, and extreme weather events. This is a special problem for low-income households who may spend 13% or more of their income on energy bills. Such high “energy burden” impacts housing affordability, as well as the health and well-being of families. And it is a climate justice issue as well since without programs and policies designed to assist lower-income renters and homeowners, their energy burden is likely to increase dramatically in the coming years as climate change accelerates. A just transition to a fossil-fuel free future must include the most economically vulnerable.

DEFINITIONS

Energy Burden:

The percentage of gross household income spent on energy costs



Greater than **6%** is a high energy burden.
 Greater than **10%** is a severe energy burden.

AMI = Area Median Income

Midpoint of household income in a region.

Low Income:

Households with less than 80% AMI (<80% AMI).

Extremely Low Income:

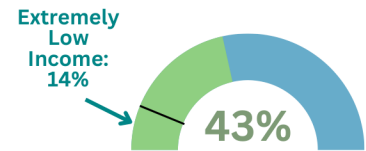
Households with less than 30% AMI (<30% AMI).



Information in this report comes from the U.S. Department of Energy's LEAD Tool. It draws data from the U.S. Census Bureau's 2020 American Community Survey to estimate energy costs for households at different income levels across the country.

KEY FINDINGS

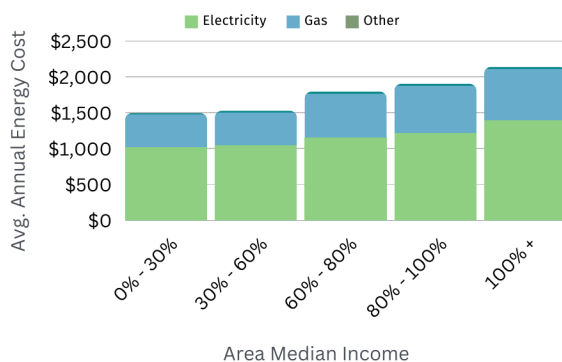
- Overall, the average energy burden for households in Janesville is **3%**, slightly above the state average of 2%.
- In Janesville, the average energy burden for low-income households (<80% AMI) is **5%** - more than twice that of the overall average energy burden.
- Extremely low-income households (<30% AMI) have an average energy burden of **13%**.
- The lowest income households are particularly burdened with high gas bills for heating - likely due to the age and poor condition of the affordable housing stock.



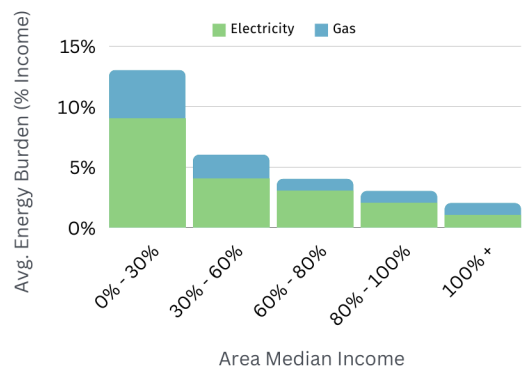
of Janesville's 20,995 households are low-income (less than 80% of AMI)



Average Annual Energy Costs by Income Level



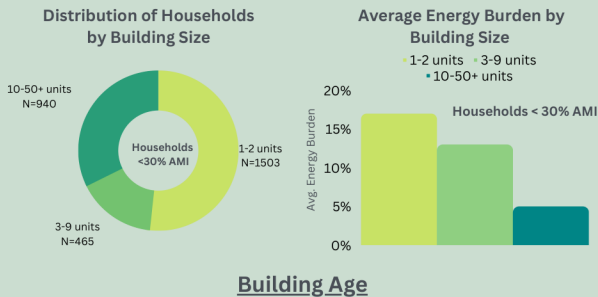
Average Energy Burden by Income Level



CHARACTERISTICS OF HOUSING WITH HIGH ENERGY BURDEN

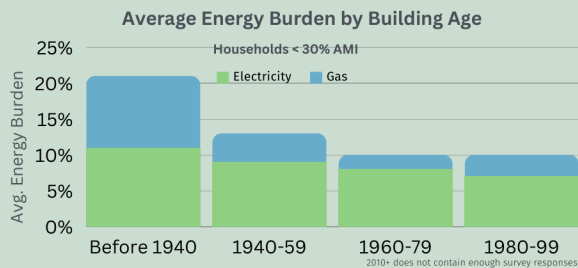
Size and Type of Building

About 50% of extremely low-income households in Janesville (<30% AMI) live in single-family or two-unit dwellings and have a severe energy burden of ~17%. In comparison, the 30% of households at this income level who live in multifamily buildings with 10-50+ units have a more affordable energy burden of just 5%.



Building Age

Building age significantly impacts the overall energy burden for extremely low-income households due to the high cost of heating with natural gas. The severe energy burden of 22% for those living in units built before 1940 (one-quarter of households at this income level) may be due to lack of insulation and building deterioration, as well as less efficient heating systems. These older buildings are also likely to have other health and safety problems, such as lead paint.



Location

While energy burdened households can be found across Janesville, people living in disadvantaged areas (as defined by the federal government's Justice40 initiative) are disproportionately impacted. For example, households in Census Tract 3, a diverse area in the city center (28% BIPOC vs. 13% citywide), have the highest average energy burdens in Janesville. And they are also more likely to face health risks from lead paint, flooding linked to climate change, and proximity to pollution sources.

RACIAL AND ETHNIC DISPARITIES

While the LEAD tool does not provide in-depth information about the racial and ethnic dimensions of high energy burden in Janesville, the data do indicate that people of color, especially African-Americans and Hispanics/Latinos, are disproportionately impacted. This aligns with the findings of a recent study of major urban centers across the U.S., which found that Black and Hispanic households experience significantly higher energy burdens on average than their White (non-Hispanic) counterparts.



Drehobl, A. L. Ross, and R. Ayala. 2020. How High Are Household Energy Burdens? Washington, DC: American Council for an Energy-Efficient Economy.

LOCAL SOLUTIONS TO HIGH ENERGY BURDEN

RECOMMENDATIONS FOR LOCAL GOVERNMENT AND POLICYMAKERS

Make reduction of energy burden part of city policies

- Conduct research on energy burden in Janesville and share the results with the public.
- Consider energy burden as integral to affordable housing and community health programs.
- Develop a city climate plan with equity as a central focus.
- Develop evidence-based goals to reduce community energy burden with specific reduction targets.

Help energy-burdened communities meet their needs

- Include these communities in the planning process.
- Make information available online and in-print in multiple languages.
- Establish energy efficiency programs to assist recipients of city housing funds.

Help city residents get state and federal money to reduce their energy costs

- Promote energy bill payment assistance available through utilities and www.energyandhousing.wi.gov.
- Connect residents to state energy efficiency programs such as [Focus on Energy](#) and weatherization assistance for low-income housing.
- Publicize the Inflation Reduction Act (IRA) funding - see the DOE's [Energy Savings Hub](#) and [RewiringAmerica.org](#) for resources.
- Collaborate with other organizations to assist property owners navigate the process of implementing energy efficiency projects (from financing to hiring contractors).

Pursue federal and state funding to develop new programs

- New money available through the IRA and the Bipartisan Infrastructure Law.
- See the [Wisconsin Office of Energy Innovation webpage](#) for current grant opportunities.

RECOMMENDATIONS FOR PROPERTY OWNERS

- Inflation Reduction Act (IRA) tax credits for energy efficiency, electrification, and renewable energy projects are now available. See the IRA Savings Calculator at [RewiringAmerica.org](#) and the DOE's [Energy Savings Hub](#).
- Low and middle-income homeowners and landlords:
 - The IRA rebate program will provide discounts of 50%-100% for heat pumps, electrical upgrades, and other energy efficiency purchases beginning in 2024.
 - Apply now for home weatherization programs through [Community Action Inc.](#) and [Focus on Energy](#), and energy bill assistance from your utility, the [Keep Wisconsin Warm Fund](#), and the programs listed at www.energyandhousing.wi.gov.

RECOMMENDATIONS FOR LOW AND MIDDLE-INCOME RENTERS

- The Inflation Reduction Act (IRA) rebate program will offer discounts of 50%-100% for purchases of personal window heat pumps, induction cook-tops, and other appliances starting in 2024. See the IRA Savings Calculator at [RewiringAmerica.org](#) for details.
- Talk to your landlord or property manager about their plans for using the IRA incentives to improve energy efficiency, add renewable energy, and do other building upgrades that will lower your energy bills.
- Apply for energy bill payment assistance from your utility, the [Keep Wisconsin Warm Fund](#), and the programs listed at www.energyandhousing.wi.gov.