



LOW-INCOME ENERGY BURDEN

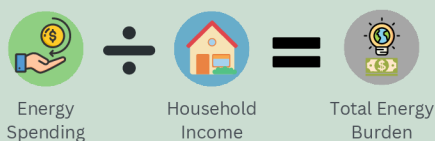
FITCHBURG, WI

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 9% 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)

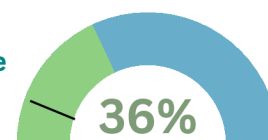


Information in this report comes from the U.S. Department of Energy's LEAD Tool. It draws data from the U.S. Census Bureau's 2022 American Community Survey to **estimate** energy costs for households at different income levels across the country.

KEY FINDINGS

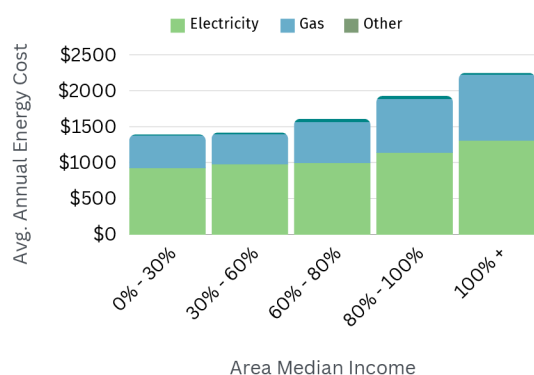
- Overall, the average energy burden for households in Fitchburg is **1%**. The average energy burden across Wisconsin is 3%.
- In Fitchburg, the average energy burden for low-income households (<80% AMI) is **3%** - three times that of the overall energy burden.
- Extremely low-income households (<30% AMI) have an average energy burden of **9%**.
- On average, the lowest income households' utility bills are only about \$71 a month less than those paid by the highest income households, despite living in smaller spaces. Fixed charges make up a higher proportion of low-income customers' bills and their homes tend to be less energy efficient.

Extremely low Income = 8%

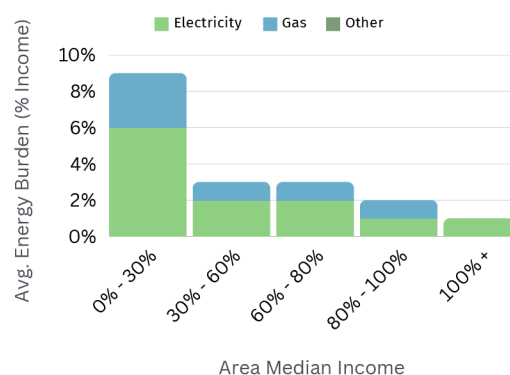


of Fitchburg's 14,498 households are low income (less than 80% AMI)

Average Annual Energy Costs by Income Level



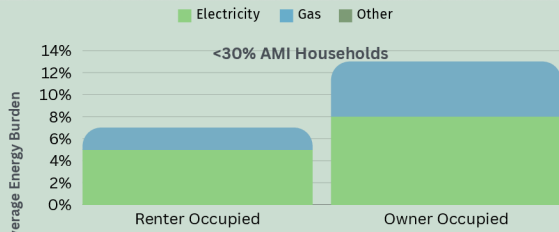
Average Energy Burden by Income Level



CHARACTERISTICS OF HOUSING WITH HIGH ENERGY BURDEN

Owning vs. Renting

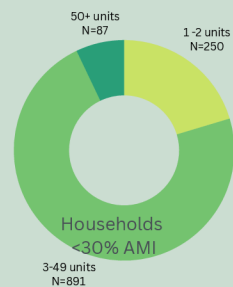
Among extremely low-income households (<30% AMI), owner-occupied housing units had a significantly higher energy burden (13%) than renter-occupied units (7%). There are only about 211 extremely low-income homeowners in Fitchburg, the vast majority of whom live in single-family detached or attached houses (which tend to be less efficient to heat and cool than multi-family buildings).



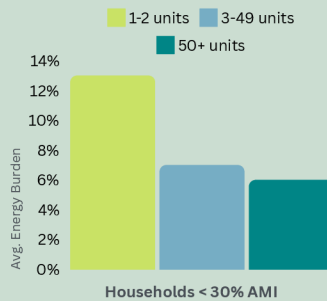
Type and Size of Building

About 20% of extremely low-income households in Fitchburg (<30% AMI) live in single-family or two-unit dwellings. On average, these households experience a severe energy burden of 13%. In comparison, the households at this income level that live in medium and large size apartment buildings (10-50+ units) have a somewhat lower energy burden of 6-8%.

Distribution of Households by Building Size



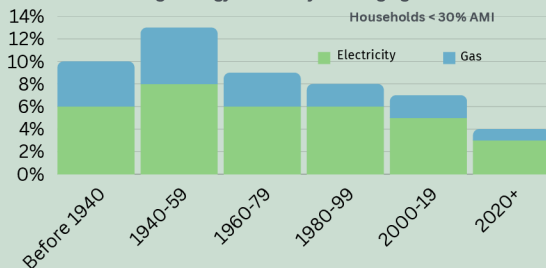
Average Energy Burden by Building Size



Building Age

About half of extremely low-income households (~475 families) live in buildings constructed before 1980 and experience a higher energy burden of 9-13% compared to the more affordable energy costs for households in newer buildings. Lack of insulation, less efficient heating systems and appliances, and building deterioration may all contribute to these discrepancies.

Average Energy Burden by Building Age



RACIAL AND ETHNIC DISPARITIES

Although the LEAD tool does not provide in-depth information about the racial and ethnic dimensions of high energy burden in Fitchburg, the data do indicate that people of color, are disproportionately represented among the extremely low income households with high average energy burden (63% BIPOC vs. 32% in the overall population). 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.**



LOCAL SOLUTIONS TO HIGH ENERGY BURDEN

RECOMMENDATIONS FOR LOCAL GOVERNMENT AND POLICYMAKERS

Center energy burden reduction in city policies

- Conduct further research on energy burden in Fitchburg and share the results with the public.
- Make energy burden reduction an integral part of affordable housing and community health programs.
- Set specific energy burden reduction targets for the city and develop evidence-based plans to achieve these goals. See [St. Paul's climate plan](#) for an example.
- Increase energy efficiency requirements for city-subsidized affordable housing developments.

Reach out to energy-burdened communities

- Include these communities in energy and climate planning processes.
- Make information available in multiple languages and formats.

Help city residents reduce their energy costs

- Advocate with local utilities to energy bill payment assistance and efficiency programs.
- Promote existing energy bill payment assistance and energy efficiency programs currently available through local utilities, non-profits, and state and federal sources.
- Publicize the new tax credits and discounts available through the Inflation Reduction Act (IRA).
- Collaborate with non-profits and businesses to scale up successful pilot projects to enable landlords with low-income tenants to make energy improvements (e.g., the [Efficiency Navigator](#) program).

Pursue federal and state funding to develop new programs

- Utilize new funding opportunities available through the IRA and the Bipartisan Infrastructure Law (see the [Wisconsin Office of Energy Innovation](#) webpage for current grant opportunities).
- Examples of innovative programs in other Midwestern cities:
 - [Milwaukee's Energy Efficiency Program](#) provides low-interest loans and a bonus incentive to finance energy efficiency improvements.
 - Minneapolis's [rental energy transparency ordinance](#) requires landlords to disclose energy costs to prospective tenants.

RECOMMENDATIONS FOR PROPERTY OWNERS

- New tax credits for energy efficiency, electrification, and renewable energy projects are now available through the Inflation Reduction Act (IRA). See details at daneclimateaction.org/what-you-can-do/federal-funding.
- Low and middle-income homeowners and landlords:
 - Two new Inflation Reduction Act (IRA) rebate programs will provide discounts of 50%-100% for energy efficiency and electrification projects. The first program, the Home Efficiency Rebate, is now available through focusenergy.com/ira-homes.
 - Apply now for low-income energy bill payment assistance and home weatherization programs offered by the state (energyandhousing.wi.gov/Pages/Energy.aspx), [Focus on Energy](#), the [Keep Wisconsin Warm/Cool Fund](#), and local utilities.

RECOMMENDATIONS FOR LOW AND MIDDLE-INCOME RENTERS

- Talk to your landlord or property manager about their plans for using IRA incentives to improve energy efficiency, add renewable energy, and implement other building upgrades that will lower your energy bills.
- Apply now for energy bill payment assistance available through the government programs listed at energyandhousing.wi.gov, your utility, and other groups. See resources listed at daneclimateaction.org/documents/Admin-PDFs/RenterHandout.pdf.