

**More than a burden:
How high energy
costs threaten
household stability**



SaverLife®

ACKNOWLEDGEMENTS

SaverLife is a national nonprofit and advocacy organization that uses technology to improve the financial health of people living on low-to-moderate incomes. This research effort was led by Maya Pendleton, Senior Research Manager at SaverLife. The report was written by Maya Pendleton, Mariel Beasley, and Rebekah Collinsworth, with support from Leigh Phillips.

We also want to thank our members, who we are honored to have collaborated with on this report. Nothing SaverLife does is possible without their support, insights, and perspectives. We are proud allies to our member community and will continue to ensure that their voices are heard, their needs are met, and their futures are filled with opportunities to improve their financial health and well-being.

[Learn more about SaverLife and its mission.](#)

INTRODUCTION

In rural Kentucky, SaverLife member Adam still remembers when energy costs were manageable: “When it was booming, this area did well,” he says. But after a flood damaged his home’s foundation and insulation, heating and cooling became a constant struggle: “The underpin is washed out... Without it, your electric bills go up and down.” Adam has seen his electricity bills double in the last few years. As he puts it wryly: “Heat has a real weight to it.”

Adam’s story reflects a nationwide reality: Across the country, households are paying more for energy than ever before. Compared to a year ago, federal data indicates energy costs are up **5.5%**, driven by extreme heat and cooling needs, rising pressures on the grid from data centers, and the electrification of transportation. At the same time, broader financial insecurity is intensifying: The Federal Reserve’s most recent report on household well-being found that nearly 30% of adults said they were worse off financially than the year before. When energy bills rise against this backdrop, what might otherwise be a manageable cost becomes a major source of financial distress, especially for households already living on tight margins.



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SaverLife’s recent research on energy burden and financial health reveals how these national pressures play out at the household level. We find that more than a third of our members are severely energy burdened — meaning they spend more than 10% of their annual income on utility costs. Renters and Black and Latino households are more likely to face this burden. For these households, high utility bills are not just a climate issue but a financial emergency, compounding rising housing, food, and debt costs.

Systemic inequities — including inefficient housing, limited access to clean energy upgrades, barriers to relief programs, and persistent racial and economic disparities — undermine members’ financial health. These challenges force trade-offs such as skipping meals or going into debt to keep the lights on, but members’ experiences also point to opportunities for more equitable, affordable solutions.

ABOUT THE SAMPLE:

Meet SaverLife members navigating energy burden

In October 2024, SaverLife surveyed members (n=855) about energy costs, their financial impacts, and awareness of assistance and clean-energy technologies.

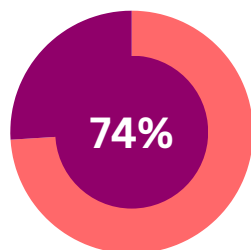
- **Income:** Over half (53%) reported household incomes under \$50,000; one-quarter (25%) earned less than \$25,000.
- **Age:** The sample skewed middle-aged, with 40% of respondents ages 35–44 and 24% ages 45–54. Those ages 25–34 accounted for 19% and adults ages 55–64 represented 12%. Adults (65+) made up 4%, while younger adults (18–24) made up just 1% of respondents.
- **Race/Ethnicity:** 49% white, 30% Black, 10% Latino, 5% Asian American/Pacific Islander, and 1% Native American/Indigenous.
- **Gender:** 80% women and 18% men.
- **Housing:** 57% renters and 43% homeowners.

To add depth, 14 member interviews provided qualitative context, reflecting racial, ethnic, and geographic diversity across 10 states, with most interviewees identifying as women.

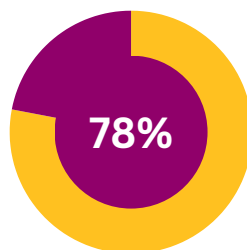
HIGH ENERGY BILLS ADD PRESSURE TO ALREADY TIGHT HOUSEHOLD BUDGETS

More than 70% reported that their spending met or exceeded income last year, and only one in four said their spending was less. Nearly eight in ten said covering bills was difficult, and over half (54%) reported they could only cover their expenses for three weeks or less without borrowing or dipping into retirement savings (Figure 1). As one member in Michigan explained: “There have been times when we had to delay payment or we were on a payment plan.”

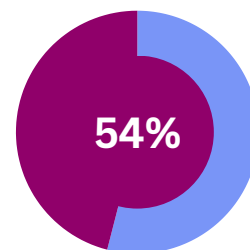
Figure 1: Members are struggling to cover bills and expenses



Reported spending was greater than or equal to income



Said it was difficult to cover expenses and bills last year

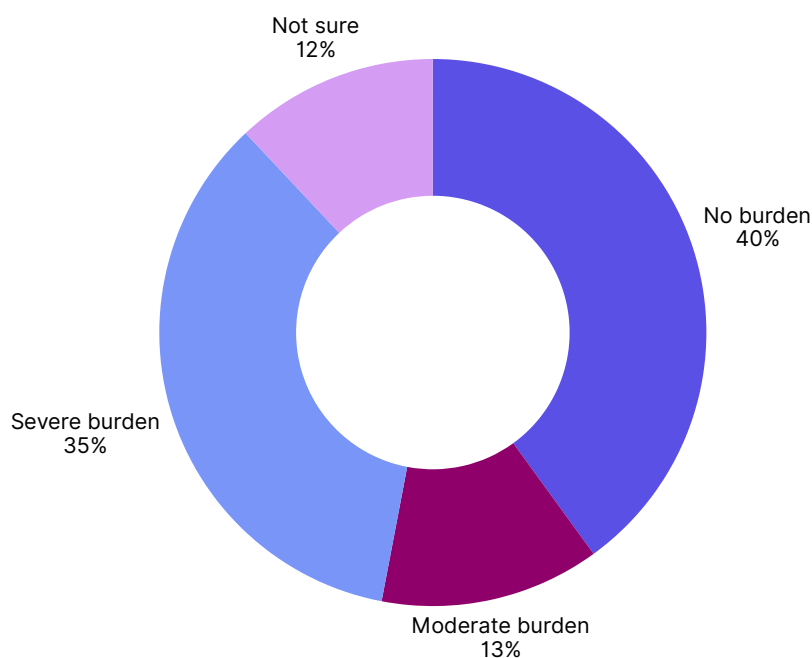


Said they only have three weeks or less worth of cash to cover expenses

Source: 2024 SaverLife Energy Cost Burden Survey.

Energy costs are a key driver of the financial strain many households already face. It refers to the share of household income spent on utilities such as electricity, gas, or heating oil. Households are considered burdened when energy costs exceed 6% of income and severely burdened when costs exceed 10%.¹ Using self-reported income and utility data, we estimate that nearly half of SaverLife members experience some level of energy burden, including 35% who are severely burdened (Figure 2). Only 13% fall into the moderate category, while 40% report no burden at all. This polarized distribution reveals that energy costs rarely create a gradual strain — for many households, bills are either manageable or quickly tip into severe-burden territory.

Figure 2: Energy cost burden estimates among SaverLife members



Source: 2024 Energy Cost Burden Survey. “Not sure” represents responses from members who selected “I’m not sure” when asked about their monthly energy expenditures and/or annual income.

KEY TERM: ENERGY BURDEN

Households are considered energy burdened when the share of their income spent on energy costs exceeds six percent.

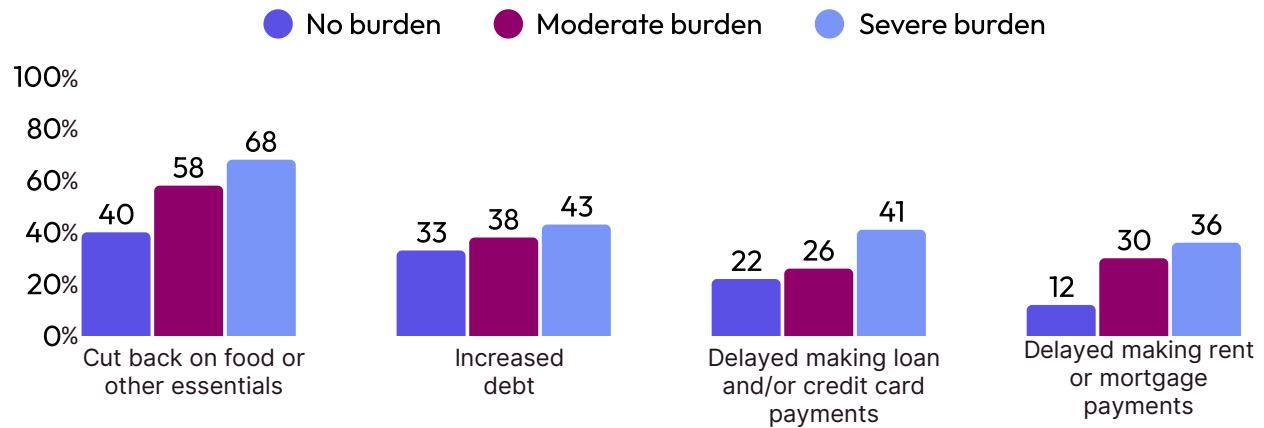
At this level, utility bills begin to take up a meaningful portion of the budget and can limit members’ ability to cover other basic needs. When energy costs rise above 10 percent of income, households are classified as severely burdened, facing even greater financial strain.

The consequences of being energy burdened are strongly felt. High utility bills force households into impossible decisions, undermining their overall financial health. In general, 57% of all members reported cutting back on food in the past six months to afford energy bills, and 39% of members said they had taken on more debt. Members also reported delaying rent, mortgage, or loan payments to keep up with utilities.

1. American Council for an Energy-Efficient Economy: How high are household energy burdens

For those facing severe burdens, the trade-offs are even sharper: 68% of severely burdened households cut back on food, compared to 40% of non-burdened households (Figure 3).

Figure 3: High energy bills push households to cut food, delay rent, and take on debt

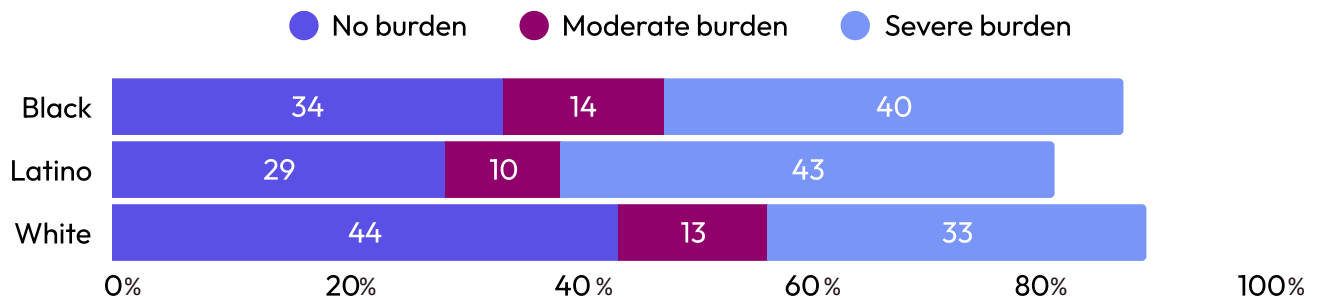


Source: 2024 Energy Cost Burden Survey. Some results are significant at the 95% confidence level: Compared to non-burdened households, severely burdened households more often cut back on food, increase debt, delay loan/credit card payments, and delay rent/mortgage payments.

WHERE RACE AND HOUSING INTERSECT: ENERGY BURDEN'S UNEQUAL IMPACTS

National research finds that Black and Latino households often live in homes that require more energy to heat and cool and are less likely to benefit from efficiency upgrades, further compounding inequities in energy costs. Our survey confirms these disparities: Roughly 40% of Black and Latino households are severely energy burdened versus 33% of white households. Forty-four percent of white households report no energy burden, compared to just 29% of Latino households and 34% of Black households (Figure 4). These differences are statistically significant, underscoring that racial disparities in energy burden are not random variation but reflect real inequities in exposure to high costs.

Figure 4: Shutoff risks persist across incomes but fall most heavily on Black and Latino households



Source: 2024 Energy Cost Burden Survey. Some results are significant at the 95% confidence interval: Compared to white members, Black and Latino members more often have no energy burden than Black and Latino members.

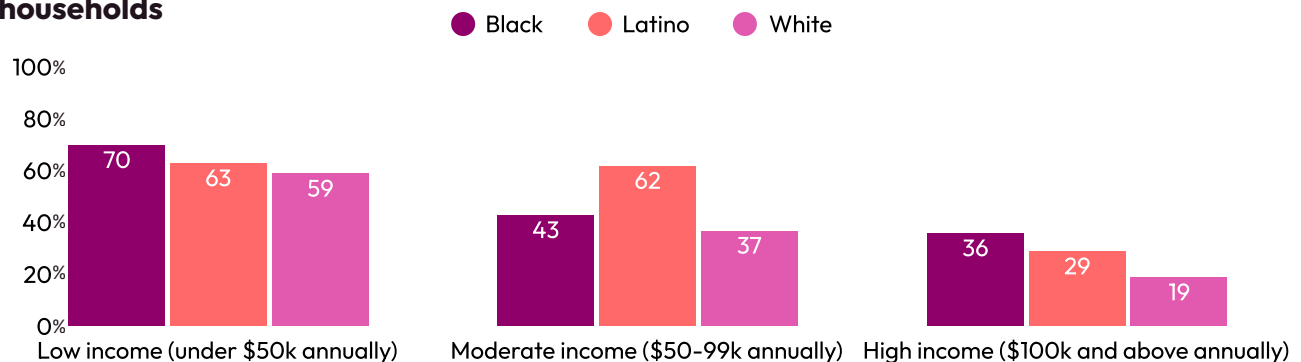
These inequities also become visible in the financial trade-offs members make to pay their energy bills. Latino members more often reported delaying housing payments due to energy costs in the past six months, with 35% doing so compared to 27% of Black members and 24% of white members. They also reported the highest rates of taking on debt, at 42%, compared to 40% of Black members and 37% of white members.

Disparities also persist when it comes to utility shutoffs. We find that 70% of Black members and 63% of Latino members with low incomes reported receiving a shutoff notice, compared to 59% of white members in the same income group. At higher income levels, white households are far less exposed: only 19% of high-income white members reported receiving a shutoff notice, compared to 36% of high-income Black members and 29% of high-income Latino members (Figure 5).



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Figure 5: Shutoff risks persist across incomes but fall most heavily on Black and Latino households



Source: 2024 Energy Cost Burden Survey. Some results are significant at the 95% confidence level: Among low-income households, Black and Latino households more often receive shutoff notices than white households. At moderate incomes, Black households more often receive shutoff notices than white households. White high-income households are significantly less likely to report a shutoff compared to nearly all other groups.



“You have to make sure you’re on top of those bills, because it’s easy to get behind and be in the dark.”
— SaverLife Member, MI

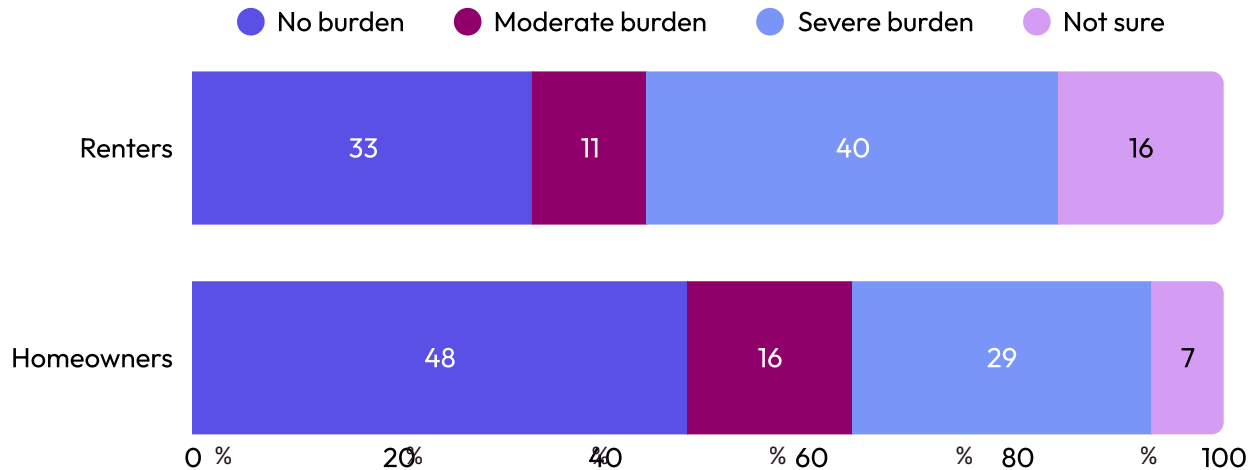
WHY SHUTOFFS ARE AN INDICATOR OF CRISIS

Energy shutoffs are a clear signal that financial strain has tipped into crisis. When service is disconnected, households lose access to essential needs like safe temperatures, refrigeration for food and medicine, medical devices, and the ability to work or study from home. Shutoffs also drive households deeper into financial instability: Reconnection fees, late charges, and new deposits pile on debt, while many turn to high-cost borrowing or credit cards to restore service. For renters, unpaid utilities can even lead to eviction.



Energy burden is also closely tied to housing status. Overall, renters are 57% of the survey sample and more often reported experiencing severe burden than homeowners: Four in ten renters report being severely burdened by energy costs, compared to fewer than three in ten homeowners (Figure 6).

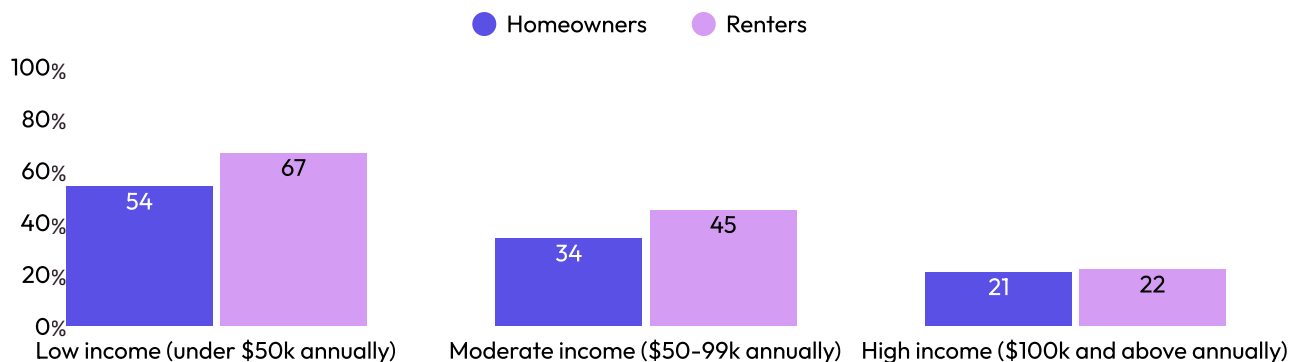
Figure 6: Renters face higher energy burdens than homeowners



Source: 2024 Energy Cost Burden Survey. Some results are significant at the 95% confidence level: Renters are more likely to be severely burdened than homeowners, and homeowners are significantly more likely to experience moderate and no burdens compared to renters. "Not sure" represents responses from members who selected "I'm not sure" when asked about their monthly energy expenditures and/or annual income.

Renters also face higher risks of shutoff: 57% reported receiving a shutoff notice in the past year compared to 38% of homeowners, differences that persist even when income is held constant. Among low-income households, 67% of renters reported receiving a shutoff notice compared to 54% of homeowners. At moderate incomes, 45% of renters reported a shutoff compared to 34% of homeowners (Figure 7).

Figure 7: Renters of all income levels get shutoff notices more often than homeowners



Source: 2024 Energy Cost Burden Survey. Some results are significant at the 95% confidence level: At both low and moderate incomes, renters are often more likely than homeowners to receive shutoff notices.

This demonstrates that renter households face elevated shutoff risks not just because of lower incomes but because of systemic vulnerabilities tied to housing type itself. Rental units are often older and less energy-efficient, yet renters have little control over upgrades since landlords are less inclined to invest in improvements that primarily lower tenants' bills. Many programs are also harder for renters to access, either because they require landlord approval, assume homeownership, or focus on upgrades—such as roof repairs or appliance replacement—that tenants cannot initiate on their own. Together, these factors compound financial strain: 31% of renters reported delaying rent or mortgage payments in the past six months due to energy costs compared to 18% of homeowners.

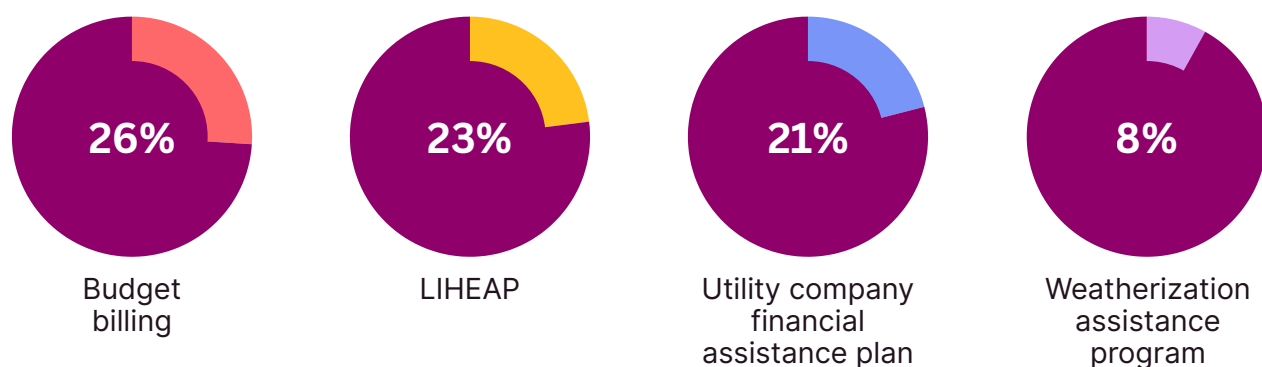


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REDUCING ENERGY BURDEN: ASSISTANCE IS AVAILABLE, BUT PARTICIPATION REMAINS LOW ACROSS PROGRAMS

Despite high need, uptake of assistance programs remains constrained — only 26% of members use budget billing, 23% are enrolled in LIHEAP, 21% access utility assistance, and 8% utilize weatherization assistance programs—pointing to access challenges and program limits.

Figure 8: Few households access programs that could help lower energy costs



Source: 2024 Energy Cost Burden Survey.

Awareness appears to be a major barrier to participation. More than half of members (55%) say they have never heard of home-weatherization programs, and nearly half (48%) are unfamiliar with utility company financial assistance. Awareness of LIHEAP is somewhat higher, but still 40% of members reported never having heard of it. Budget billing is the exception—only 4% of members said they were unaware of it—yet even here, uptake remains limited. Such low participation rates demonstrate the gap between available programs and the ability of households to actually access them when they need support most. Without increased access to financial support, many families continue to struggle, absorbing unaffordable bills, falling behind on payments, and facing downward financial spirals.

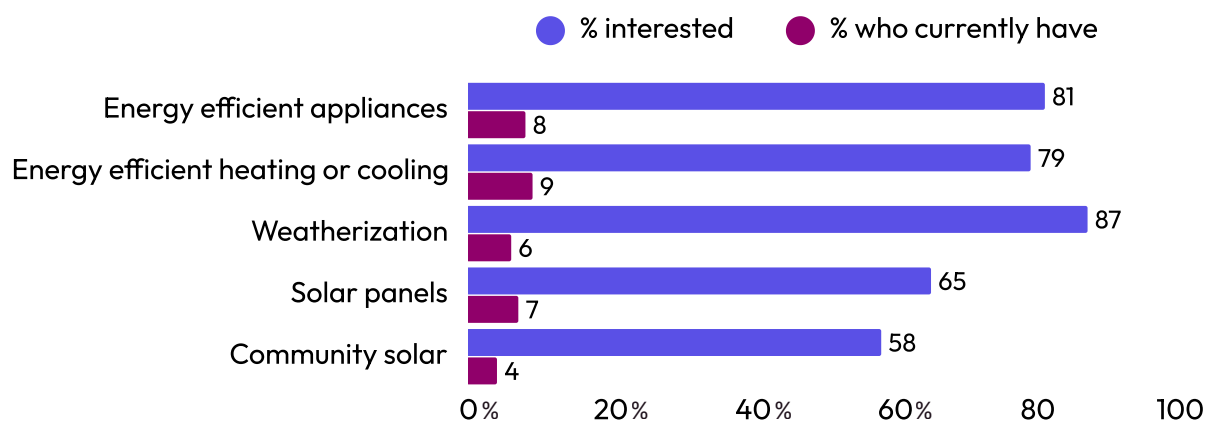


As one member in Michigan explained, “You don’t always know what help is out there until you’re already behind.”

FROM ASSISTANCE TO RESILIENCE: INTEREST IN ENERGY EFFICIENCY IS SOARING

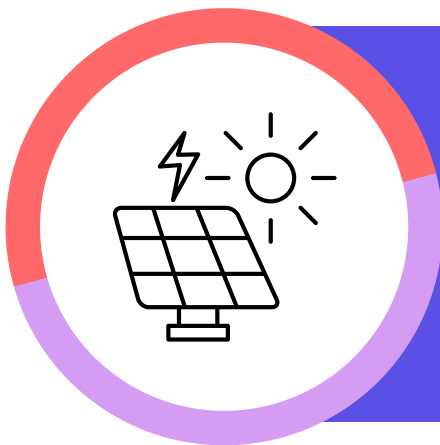
In addition to a limited number of public programs meant to ease energy burden, there are longer-term solutions that can permanently lower costs and build resilience. Members express consistent interest in clean-energy upgrades like energy-efficient appliances, solar panels, and home weatherization. In one striking example, upwards of 80% of members are interested in home weatherization and energy-efficient appliances (Figure 9).

Figure 9: Strong interest in clean energy, but barriers to uptake remain



Source 2024: Energy Cost Burden Survey. Totals might not equal 100% because "not at all interested" and "I have never heard of this" are excluded.

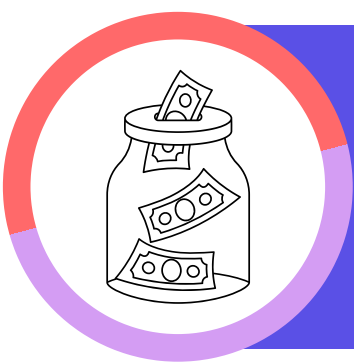
Interest in clean energy has soared among SaverLife members since 2023: interest in energy-efficient heating and cooling rose by 65% in 2024 compared to 2023. Interest in solar panels increased by 41% during the same period.



Some members see clean energy as a pathway to more affordable energy bills. A member in California who installed solar panels described how tax credits made it possible: "With the tax credits, it made sense. Our bills are lower now, and it feels like we're investing in something that will last."

Yet enthusiasm outpaces affordability. Only 19% of members say they could purchase energy-efficiency or clean-energy products outright. Nearly eight in ten say they would need loans or financial assistance, and the need is even greater among those already severely burdened.

Members also have trouble seeing how clean energy fits into their other financial priorities: 28% said they had more urgent needs and 26% were unsure it would actually lower expenses. While clean energy has the potential to reduce household costs, it remains largely out of reach because of the large upfront investment required.



As one member in Texas put it, “They say solar saves you money, but you have to be able to afford it first.”

A ROAD MAP FORWARD: LOWERING ENERGY COSTS AND STRENGTHENING HOUSEHOLD RESILIENCE

Energy burden is a growing challenge for U.S. households. Climate change, rising demand on the grid, and broader cost increases are driving energy prices higher at a time when many households already struggle to make ends meet. And because energy costs intersect with long-standing racial and economic inequities, addressing energy burden is also essential to ensuring these inequities do not deepen further.

This report comes at a pivotal moment. Federal investment in clean energy has decreased, and while the Inflation Reduction Act (IRA) created historic tax credits to expand access to clean energy technologies, recent legislation has accelerated their expiration. Key incentives such as the Residential Clean Energy Credit and Energy Efficient Home Improvement Credit now end on December 31, 2025. It is therefore urgent for state and local governments, utilities, private actors, and philanthropy to step up and provide solutions that meet the scale of the problem and strong consumer demand. Households cannot wait any longer for relief, and the potential solutions are within reach.

From immediate protections against shutoffs to long-term investments in clean energy, the following recommendations offer mechanisms to reduce costs and build household stability:

Protect Households from Energy Insecurity

- Set caps on household energy spending to ensure households don't spend an outsized share of income on utilities. State-level legislation like the [New York Heat Act](#) proposes a 6% cap on household energy spending.
- Enact moratoria on utility shutoffs. Prevent disconnections during extreme weather or periods of widespread financial hardship to protect household stability, health, and safety.
- Require flexible payment options. Utilities should expand budget billing, arrears forgiveness, and deferred payment plans so families can keep service without compounding debt.

Strengthen and Expand Relief Programs

- Deepen investments in [LIHEAP](#) and Weatherization Assistance. LIHEAP helps households meet heating and cooling costs, while weatherization permanently reduces bills. Both programs need stronger funding, not cuts.
- Streamline enrollment systems. Simplify applications and reduce paperwork burdens for both families and processing departments so households can access programs quickly and efficiently.

Make Clean Energy Accessible and Equitable

- Design clean-energy programs with equity at the center. To reach all households, programs must address barriers like affordability and landlord control that often prevent renters and low-income families from accessing clean-energy benefits. State and local actors can step in with solutions tailored to those most burdened.
- Expand equitable financing. Develop flexible financing tools such as [on-bill repayment](#), [inclusive utility investments](#), and partnerships with community-development financial institutions so low- and moderate-income households can afford clean-energy upgrades.
- Provide stronger incentives for landlords. Energy cost savings alone rarely motivate landlords since tenants pay the bills. Programs should offer meaningful financial incentives—such as tax credits, direct subsidies, or property improvement grants—that make upgrades financially worthwhile for landlords while ensuring renters benefit from lower utility costs.

- Ensure large energy users contribute to community resilience. The rapid expansion of data centers has intensified demand on the grid, often in regions where households already face high energy burdens. Policymakers can explore mechanisms such as community-benefit agreements, impact fees, or clean-energy surcharges that earmark funds for bill assistance, efficiency upgrades, or local clean-energy projects. While the effectiveness of these approaches in offsetting household energy burdens is still emerging, they represent a way to align corporate benefits with community needs.

For too many households, keeping the lights on means falling behind elsewhere. But it doesn't have to be this way. With the right protections, stronger support, and equitable access to clean energy, households can keep current on their bills and build a more stable financial future. Achieving this requires listening to and learning from those most affected — an approach that is central to SaverLife's research and work with our members.

APPENDIX A: CALCULATING ENERGY COST BURDEN

To estimate household energy-cost burden, we used self-reported survey data on typical monthly utility expenses and annual household income. Respondents provided their average monthly energy costs in the summer and winter, and we calculated a seasonal average by taking the midpoint of the two responses. This average monthly cost was multiplied by 12 to estimate annual household energy spending. We then divided this annual estimate by the midpoint of the respondent's reported annual income range and multiplied by 100 to generate the percent of income spent on energy. Following established energy-burden research, households were categorized as burdened if more than 6% of their income went toward energy costs and severely burdened if more than 10% of their income was devoted to utilities.