

ENERGY MATTERS

Escalating Energy Prices: Who Gets Hurt Most

(NAPSA)—A new study says that America's poorest families will be the hardest hit by skyrocketing energy costs. In fact, the study, "The Rising Burden of Energy Costs on American Families, 1997-2007," predicts that the residential and transportation energy bills of America's poorest families will rise from 23 percent of after-tax income in 1997 to an astonishing 46 percent in 2007.

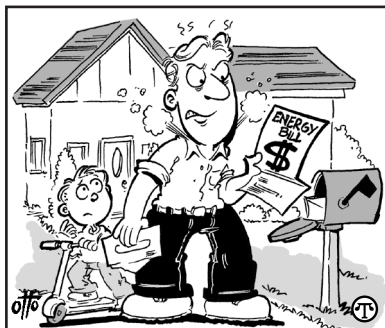
"The prices of most consumer energy products have doubled in the past five years. In 2007, the 61 million American households with annual incomes of \$50,000 or less—the majority of American households—will spend nearly 20 percent of their after-tax income on energy," said Joe Lucas, executive director of Americans for Balanced Energy Choices, the group that released the study. "In 1997, energy consumed just 10 percent of the after-tax income of these working families. Only electricity, produced mainly from domestic coal, has maintained a stable price trend over the past decade.

"Our elected officials need to be very careful as they start crafting potential climate change legislation that they don't inadvertently seriously hurt Americans most susceptible to increased energy costs because of overly ambitious programs," Lucas added.

Key findings include:

- For a majority of low- and middle-income families, energy costs are consuming nearly one-fifth of after-tax household income, an amount traditionally spent on major categories such as food, housing or health care.

- Between 1997 and 2007, average energy bills for American working families earning between



Hot Under The Collar—Low- and middle-income families will feel the heat of rising energy prices most.

\$10,000 and \$50,000 per year have nearly doubled, from \$2,401 in 1997 to an estimated \$4,468 in 2007. Most of this increase is due to higher costs for gasoline.

- Residential electric bills for working families earning between \$10,000 and \$50,000 are projected to increase modestly, from \$811 in 1997 to \$1,088 in 2007.

- The transportation share of total energy bills for the 61 million families earning less than \$50,000—the majority of American households—will rise from 44 percent in 1997 to 56 percent in 2007. Residential electricity costs will decline from 36 percent of the energy budgets of these families in 1997 to an estimated 26 percent in 2007, due to the relatively low rate of price increase for residential electricity compared to other energy sources. Coal has played a large part in stabilizing these prices.

- The poorest families, well below the federal poverty line and earning less than \$10,000 per year, are being squeezed the hardest by recent energy cost increases.

To see a full copy of the report, go to www.balancedenergy.org.