

University of Michigan
Energy Survey
Findings on Consumer Attitudes

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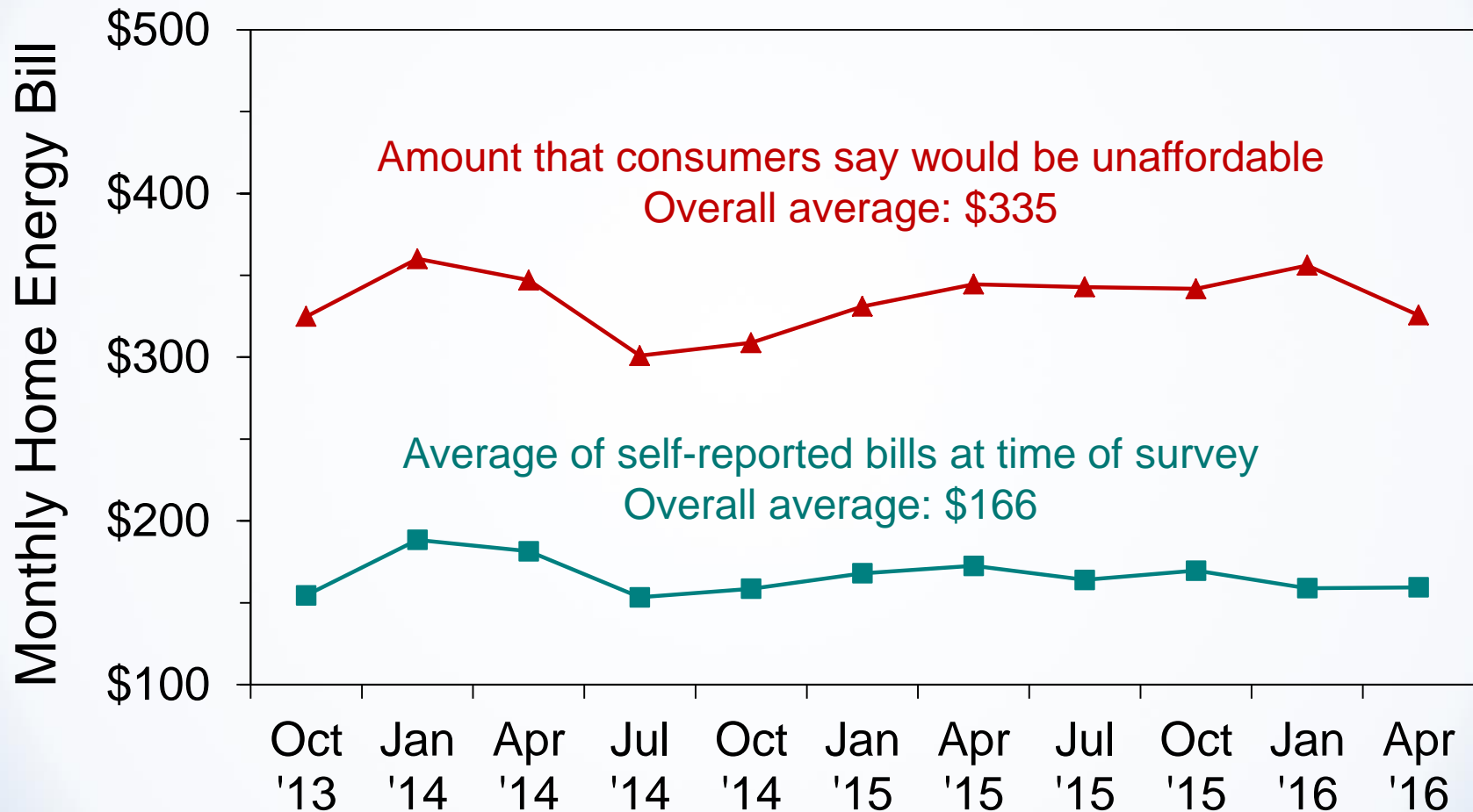
The U-M Energy Survey

- National survey of consumer attitudes on energy
 - Joint project of the University of Michigan Energy Institute (UMEI) and the U-M Institute for Social Research (ISR)
 - Rider on ISR's long-running **Surveys of Consumers** (SCA)
 - SCA is a monthly telephone interview of 500 U.S. households
 - Energy rider is comprised of 18 questions, fielded quarterly
 - Topics addressed
 - Energy affordability, reliability and impact on environment
 - Probes personal views on home energy and gasoline
 - Also asks about consumers' future expectations
- Data analyzed to date
 - Energy Survey was launched in October 2013
 - Consumers surveyed in January, April, July and October each year
 - Analyses completed for 11 quarters through April 2016

Affordability of Energy

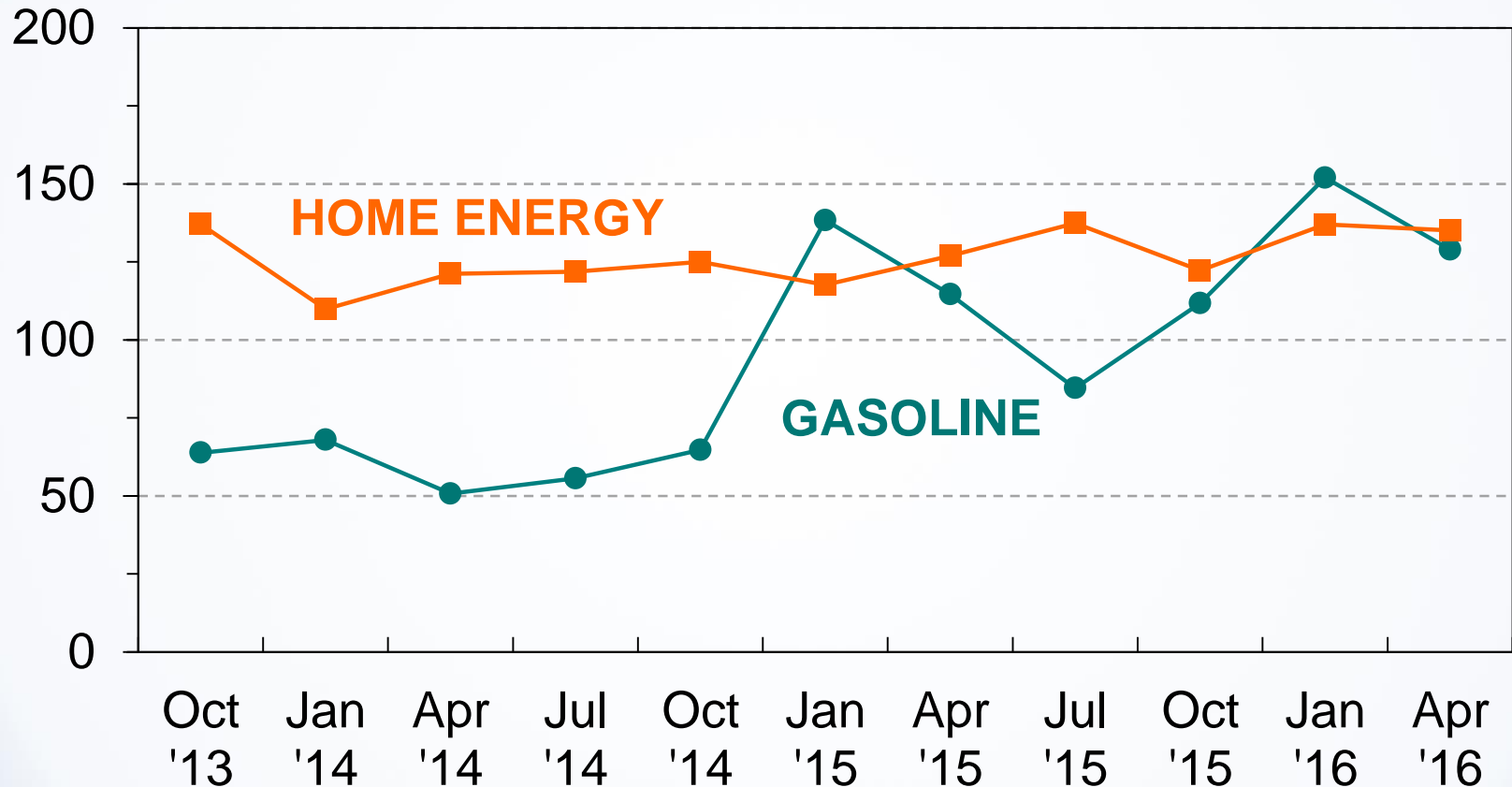
- Question sequence:
 - *Now thinking about the last time you (or someone else in your household) paid a household energy bill of any kind, how much did that bill cost you? Please do not include your water bill.*
 - *What sources or types of energy did that bill cover?*
 - *At what dollar amount would that [type of energy] bill become unaffordable to you (and your family)? By unaffordable we mean that you (and your family) would be forced to make significant changes in the way you live your life.*
- Asked for responses in dollar amounts for relative impacts
 - Not to measure energy bills *per se*, but rather to elicit respondent views on affordability relative to their own bills
 - Results normalized as percent increases over the respondents' current bills

Responses on the Affordability of Home Energy



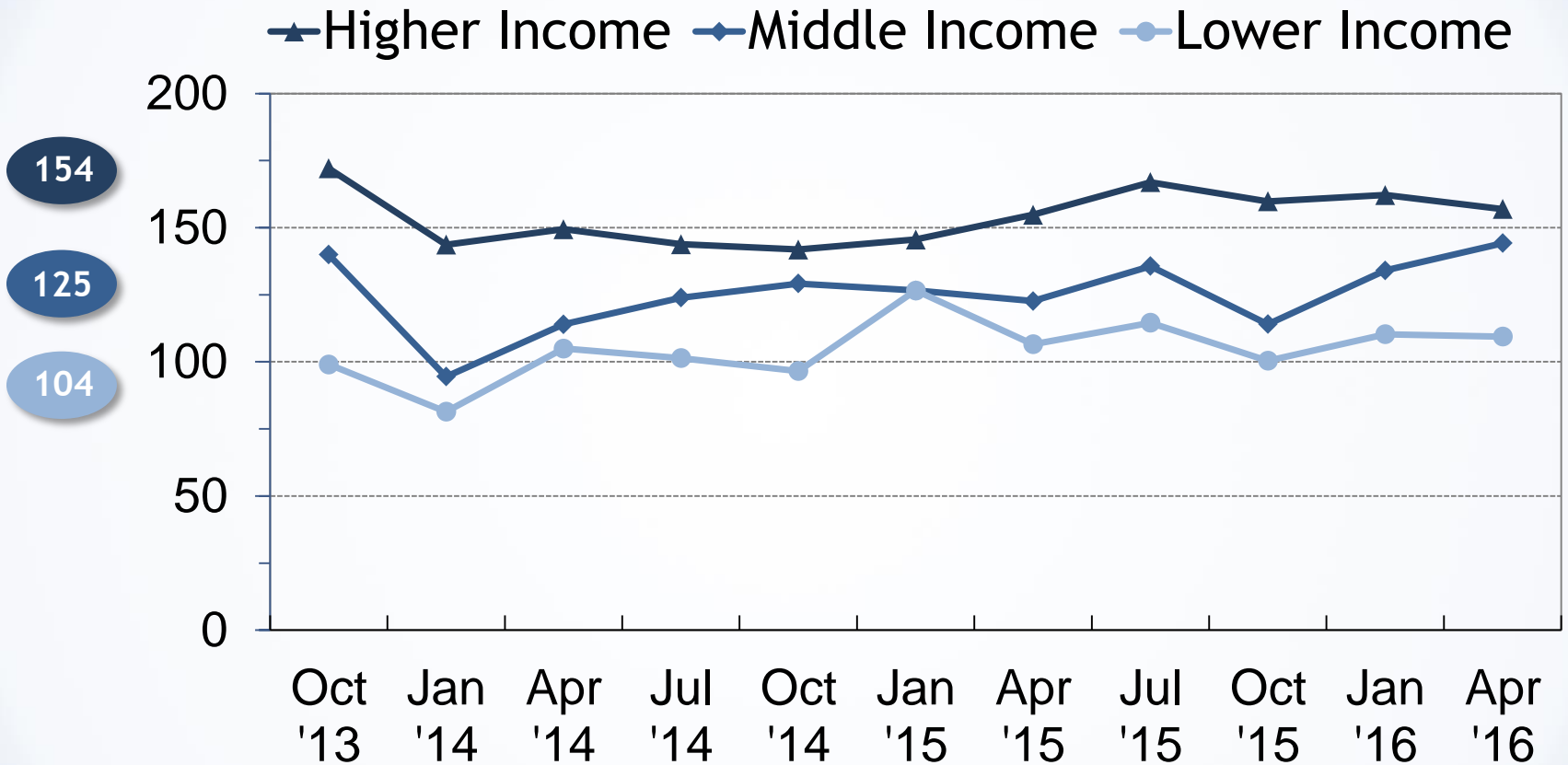
Affordability Indices

Defined as the percent increase in energy cost, relative to cost at time of each survey, that respondents say would be unaffordable



Overall averages (Oct'13 - Apr'16): Home Energy **126**, Gasoline **94**
Gasoline period averages: Oct'13 - Oct'14: **61**, Jan'15 - Apr'16: **122**

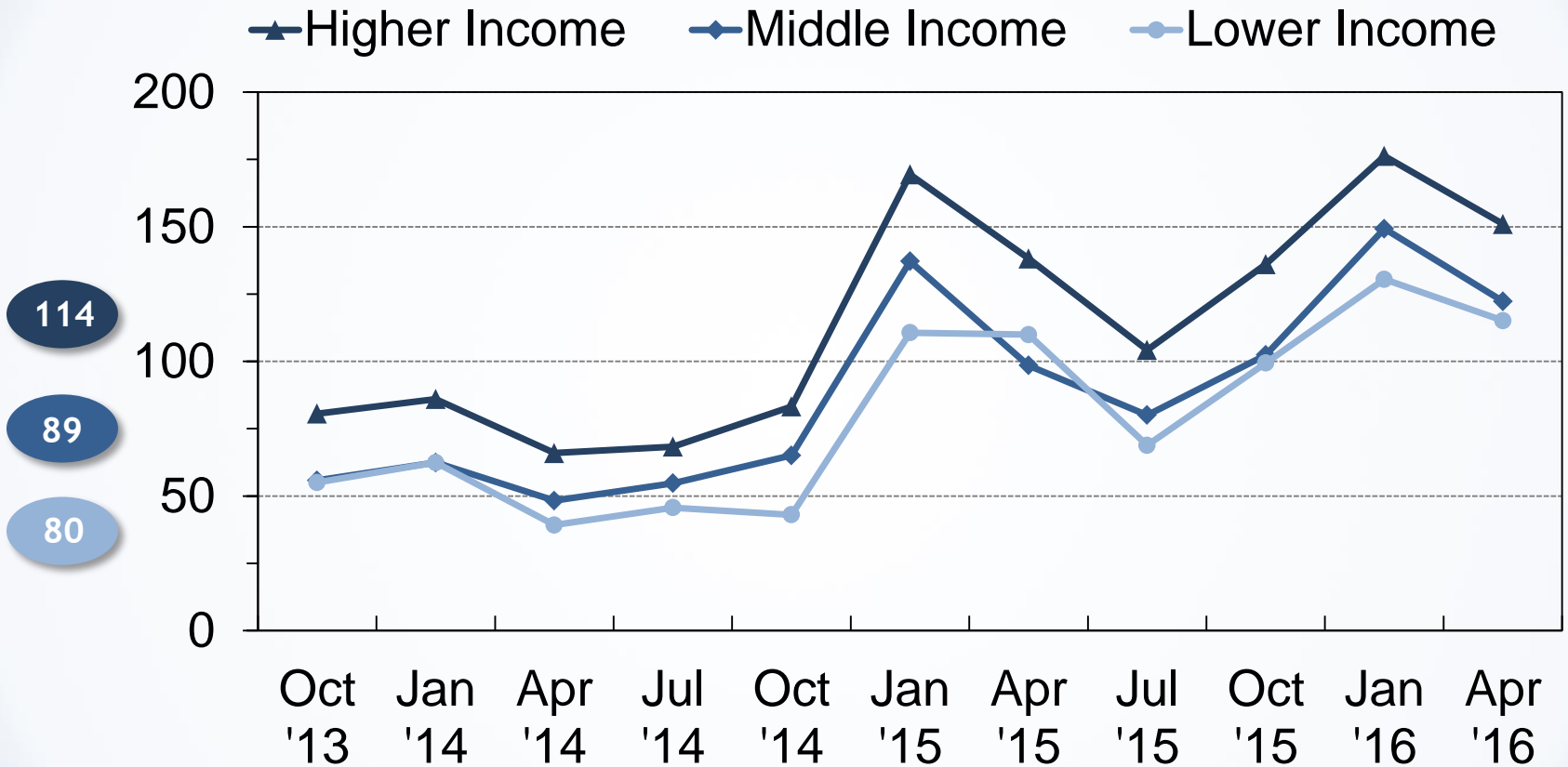
Home Energy Affordability Index by Income Tercile



Mean self-reported income levels by tercile:

Higher \$167,000; Middle \$62,000; Lower \$24,000

Gasoline Affordability Index by Income Tercile



Mean self-reported income levels by tercile:

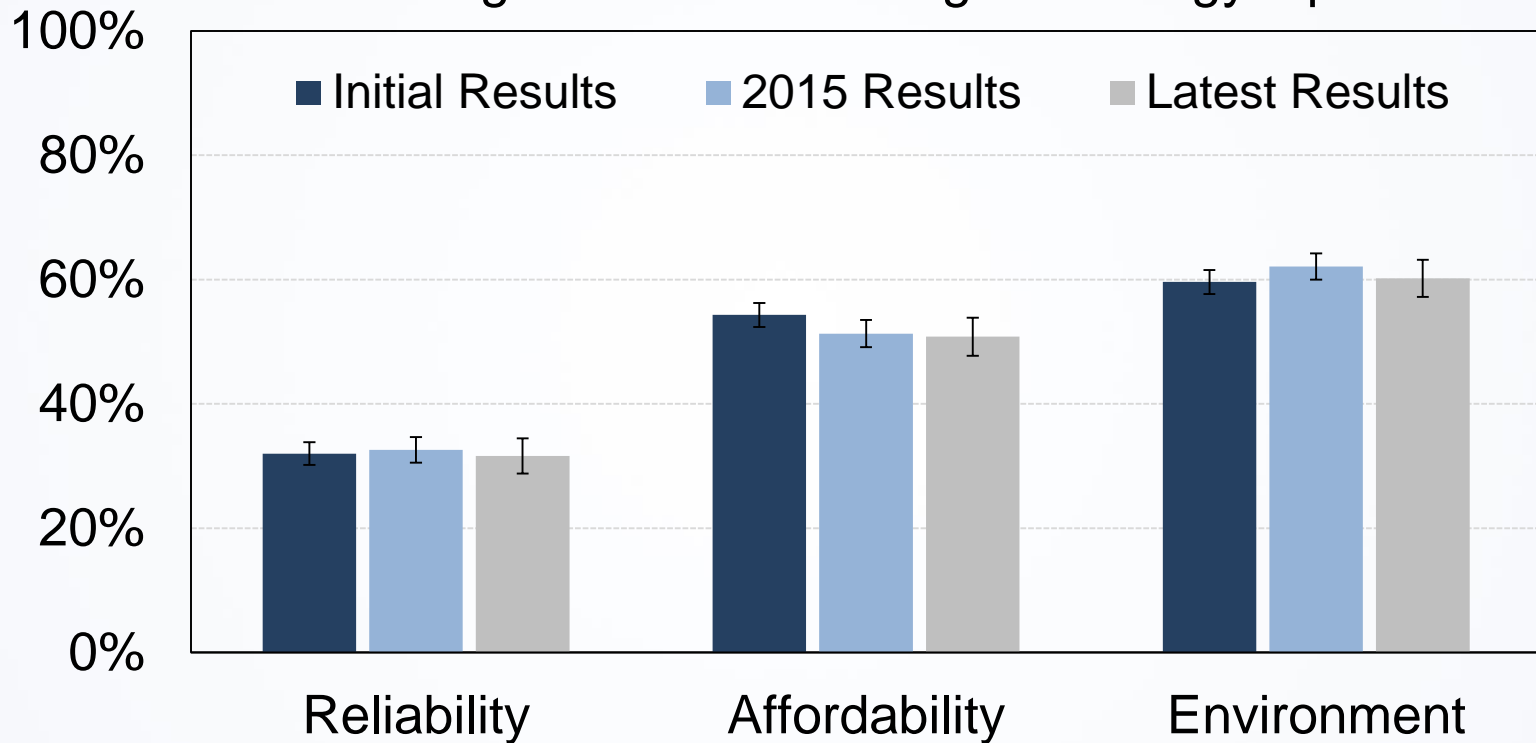
Higher \$167,000; Middle \$62,000; Lower \$24,000

Probing Overall Concern

- The questions used were:
 - *How much do you personally worry about the affordability of energy? Would you say a great deal, a fair amount, only a little, or not at all?*
 - *How much do you personally worry about the reliability of energy? Would you say a great deal, a fair amount, only a little, or not at all?*
 - *How much do you personally worry about the environmental impact of energy? Would you say a great deal, a fair amount, only a little, or not at all?*
- These questions were asked toward the end of the survey, after the three main topics had been separately explored.

Overall degrees of concern

Percent of respondents who say that they worry “a fair amount” or “great deal” about a given energy topic



Initial Results: Oct 2013 - Oct 2014

2015 Results: Jan 2015 - Oct 2015

Latest Results: Jan 2016 & Apr 2016

Error bars reflect 95% confidence intervals

Summary points

- Consumer views on the affordability of energy
 - Index reflects how close current costs are to the cost levels that consumers say they would consider unaffordable
 - Home energy affordability index fairly steady, averaging 126
 - Gasoline affordability index varies inversely with price of gasoline, from average of 61 two years ago to 122 more recently
- Consumers worry less about reliability than they do about either energy affordability or impact on environment
- Many other results are also available, on
 - Consumers' five-year-out expectations for home energy bills, gasoline price and impact of energy on the environment
 - Breakouts by region, home rent vs. own status, respondent age, sex, and self-professed knowledge of energy
 - Consumers' self-reported reductions of energy use for reasons of cost or environmental impact

Thank you!

- For more information:
 - U-M Energy Survey webpage:
www.energy.umich.edu/project/energy-survey
 - For an overview and to download Energy Survey reports
 - Surveys of Consumers webpage:
www.sca.isr.umich.edu

- Contact:

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