



Mapping Household Cost Burdens

**A study of energy, transportation, water,
and housing affordability in Connecticut**

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 **OPERATION FUEL**

Executive Summary

Record inflation, and continued recovery from the economic disruption and health impacts of COVID-19 pandemic, are the backdrop of our 2023 affordability study focusing on energy, housing, transportation, and water costs in Connecticut. Vulnerable populations, including low- and moderate-income families, those relying on fixed incomes, and medically compromised continue bearing the worst impacts. Three years into the pandemic, approaching the end of the federal declaration of emergency, utility bill assistance providers like Operation Fuel continue experiencing overwhelming demand – including from households that never needed support for basic needs before. Rising costs are undue pressure that is both unjust and untenable. Understanding the specific challenges to basic needs affordability in Connecticut is key to developing successful, meaningful strategies to help families catch up and get ahead. Operation Fuel commissioned researchers from VEIC to explore and analyze geographic patterns in the affordability of energy, housing, transportation, and water.

Our analyses use three key metrics:

Burden: spending expressed as a percentage of household income.

Affordability threshold: maximum reasonable level of spending, expressed as a percent (burden) or in dollars (burden multiplied by median income). Each spending category included in the analysis has an affordability threshold.

Affordability gap: any spending in excess of the affordability threshold. Areas with cost burdens above the affordability threshold have affordability gaps. For example, if the affordability gap is \$400, the average household in that census tract needs \$400 more income, or \$400 reduction in costs, to meet basic needs.

Both burden and affordability gap help us to understand where people are facing unaffordable costs and the level of relief required to meet the needs of those who are struggling.

We used publicly available datasets for each category to estimate spending and burden, as well as combined spending on housing (total shelter costs, inclusive of energy and water) and transportation. For the most part, our data reflected the years 2017-2021. Relative to the previous version of this report, which captured years 2015-2019, and was released in 2020,¹ affordability has worsened in some spending categories and stabilized in others.

¹ <https://www.veic.org/Media/Default/documents/resources/reports/Mapping-Household-Energy-and-Transportation-Affordability-Report-Oct-2020.pdf>

Energy: The estimated aggregate (total) energy affordability gap across households has increased 37% since the previous report, to \$608 million statewide. Approximately 424,000 households in Connecticut face unaffordable home energy costs. This increase does not account for electricity supply rates that doubled in early 2023 for most CT residents.

Housing: In 2020, approximately a third of homeowners and half of renters faced unaffordable housing costs (housing costs greater than 30% of household income), a marked increase over 2019 when 43% of renters were facing unaffordable housing burdens.

Transportation: Transportation costs dipped in 2020, due to the pandemic which restricted travel, increased rates of telecommuting, and ushered in fare free transit buses. Even so, transportation remains unaffordable in most areas of the state: three quarters of the state's census tracts face excessive transportation burdens. Overall transportation burden has declined since the previous report was released, from 20% to 18%.

Drinking Water: Data on water spending was only available for 73% of the state's census tracts. In most areas with data, water spending is affordable for households earning median income, with notable exceptions in areas of Hartford and New Haven. Nationally, water costs have outpaced inflation for the past 20 years and are one component of rising housing costs.

Combined spending: combined spending on housing (total shelter costs) and transportation was unaffordable in 32% of Connecticut's census tracts, an increase over the 2020 report when less than a quarter of tracts were deemed unaffordable. Combined burden exceeded 60% of median income in towns and cities across the state, including areas of Hartford, New Britain, Waterbury, Danbury, Stamford, Bridgeport, and Meriden.

Each component of our study represents an essential need for each household in Connecticut: everyone needs a stable home, access to energy to heat and cool their homes, access to reliable transportation to get where they need to go, and water to drink. By exploring patterns in affordability, we can understand the magnitude and form of relief needed. We invite you to further explore household affordability across these spending categories through our online interactive maps: <https://arcg.is/1u0n4r3>.

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