

Transcript for Ruth Wells

Energy insecurity affects over 33 million households, or 27% of all homes in the U.S. When a household is energy insecure, it means they face challenges to meet basic energy needs, such as paying their utility bills or keeping the temperature in their home comfortable during the summer and winter months. As you might imagine, energy security is closely linked to housing security, so to understand energy challenges we must also take a deeper look at housing challenges, both past and present.

For decades in the U.S., Black Americans were deliberately restricted from investing in housing due to discriminatory practices called “redlining.” Part of redlining included policies that allowed banks to deny mortgages, insurance loans, and other financial services to families based on their race or ethnicity.

These practices affected generations of families that were not able to own or invest in their homes. Ruth Wells, a Black woman born in Mississippi and raised in Indiana, came to Chicago in 1949 to make a life for herself. She describes the predatory practices that prevented her and her husband from securing a traditional mortgage.

“I went all in the downtown area to different banks trying to get a mortgage. They wouldn’t allow you to even fill out an application, they wouldn’t even bother. They’d say where is the house located and when I gave the address, Well we don’t loan money in that area. And that was that.

Well I knew that it was a thing they had—that they had to find an excuse without just saying, We’re not letting any Black people have any money. I asked one guy in the bank why, why they didn’t loan money in that area, what was wrong with the area. He said well banks have certain rules. I told him I was aware that all businesses have certain rules but why this particular rule. He said he didn’t know, he didn’t make the rules. So later I went back to this bank, I was getting the picture you see—I was very suspicious. So I gave the address for an area that I know is very nice. And I got the same story. But they didn’t bother to check our credit or anything. No application, they didn’t ask any questions about money. How much we had down payment or what. They just turned me down.”

Redlining was eventually outlawed, but its effects are still very much seen today. Previously “redlined” neighborhoods that were denied investment remain underinvested in today. This has led to lower-quality housing that uses more energy, costs more to maintain, and has more health hazards. In fact, researchers have compared the maps of formerly redlined urban areas across the country and found higher rates of poverty, chronic diseases such as asthma and diabetes, and even shorter life spans — sometimes as much as 20 to 30 years less than residents of other neighborhoods in the same city. These under resourced communities are still typically populated by Black, Latino, and Native American families. Understanding this history of discrimination in our country is essential to understanding the housing and energy challenges that we are facing today.

Experiences with energy insecurity affect more households in the U.S. than you might think. Even families in higher income brackets struggle to meet their energy needs. For instance, just over a million households that make between 100,000 to 150,000 dollars a year still report having to make choices between paying their utility bills or purchasing food and medications.

In spite of energy insecurity's prevalence across income brackets, it does disproportionately impact other groups more than others. People who rent, for instance, are far more likely to experience energy insecurity. 41% of people who rent have energy challenges, versus 20% of people who own their homes. A big part of this difference is that renters rarely have control in making improvements to their space in ways that might reduce energy bills. Upgrades like insulation, air sealing, or replacing older appliances or HVAC systems are the responsibility of the building owner, not the renter. When owners don't make upgrades to keep their units energy efficient, the renter typically bears the brunt of high energy bills.

In addition to renters, communities of color see much higher rates of energy insecurity than white communities — for instance, 52% of Black households in the U.S. experience energy insecurity, compared to only 20% of white households.

Much of this discrepancy is due to discriminatory housing practices from the 1930's that denied communities of color access to mortgages and other financial services, preventing them from owning and investing in their homes. Because of this, Black, Latino, and Native American households today still frequently reside in older housing, which tends to be less energy efficient and often has higher energy costs.

Throughout the 20th century when these families did manage to acquire housing in spite of practices like redlining, they were often paying more out of pocket for it than white homeowners. One Chicago report found that in 1963, Black homeowners paid 73% more for their housing than whites, even though their median household income was half the amount of white families.

Owning a home costs money to maintain, regardless of who you are. A recent survey found that on average, Americans spend just over \$3,000 a year on home repairs, with over 40% of these simply due to normal wear and tear. When these incurred costs are unexpected, as many of them are, it can be devastating to a family's finances. Ruth Wells, a Black homeowner who bought her home in 1959, describes her experience with surprise home repairs.

“When we first moved in the house, the city inspectors came down on us and gave us a certain amount of time to have the house rewired. We didn't have...we had paid our little savings on the down payment and we couldn't afford—we were afraid to go into debt for anything because we were trying to keep our bills at a minimum simply because we don't know what's going to happen. We were trying to be prepared for it at the time in case.”

Many of the current housing and energy challenges that Black homeowners and renters face today are primarily the fault of predatory policies that kept these communities at a disadvantage. Though the racial wealth gap has improved since the 1960s, in more recent years the gap has actually increased

since the late 1980s: in 2019, Black Americans were found to have one-sixth the wealth of white Americans. This directly impacts the ability to pay utility bills, let alone spend thousands of dollars investing in home maintenance.

While government agencies like the City of Chicago have begun to invest in these historically neglected communities, there is still a long way to go. Projects that improve older buildings in order to lower utility bills for residents are a step in the right direction, but more policies and programs that prioritize these neighborhoods are needed. These investments don't just help people financially but in many cases they improve public health and act as a step towards a more equitable future.

Resources

<https://www.eia.gov/energyexplained/use-of-energy/homes.php>

<https://nicholasinstitute.duke.edu/publications/stakeholder-recommendations-reducing-energy-insecurity-southeast-united-states>

<https://www.npr.org/sections/health-shots/2020/11/19/911909187/in-u-s-cities-the-health-effects-of-past-housing-discrimination-are-plain-to-see>

<https://www.chicagobungalow.org/post/honoring-the-heroes-of-housing-justice>

<https://socialistworker.org/2010/03/24/black-homeowners-fought-back>

<https://www.nrel.gov/docs/fy22osti/83575.pdf>

<https://www.angi.com/articles/most-expensive-states-for-home-maintenance.htm#key-findings>

<https://www.fool.com/the-ascent/mortgages/articles/heres-what-the-average-american-spends-on-home-maintenance/>

<https://www.bloomberg.com/news/articles/2022-06-07/black-white-wealth-gap-getting-worse-160-years-of-us-data-show?leadSource=uverify%20wall>