SHELTON GROUP

Poll Finds New Incentives Needed to Persuade Americans to Make Their Homes More Energy Efficient

KNOXVILLE, TN -- A national poll released today finds new incentives will be needed to persuade Americans to make energy-efficient improvements to their homes.

Beginning this year, tax incentives that once rewarded Americans for energy-efficient improvements have been slashed. For many Americans, the survey found those incentives were a prime reason for making improvements, such as replacing windows, adding insulation and buying energy-efficient appliances.

The national poll, one of several conducted each year by Shelton Group, examined the state of power in the United States: how consumers are saving electricity and why.

The survey found almost one-quarter (23%) of Americans who made energy efficiency improvements said they'd received a rebate or financial incentive. Of those, most said they'd received either a utility rebate (41%) or a federal tax incentive (39%).

A full 25% of respondents said they wouldn't have acted without the incentive, and another 7% said the incentive encouraged them to pay slightly more for a higher-efficiency model.

"That means, at a minimum, about one-third of Americans who made their homes more energy efficient would likely not have done so if it weren't for the incentives," said Suzanne Shelton, president of Shelton Group.

The new tax law chops incentives from 30 percent to 10 percent of costs for many improvements—reducing the maximum cumulative credit from $1,500 to $500. In addition, there are now lower caps, such as $200 for energy-efficient windows, compared to $1,500 in credits before.

"That means utilities, manufacturers and retailers are going to have to step up their incentives—and get a lot more creative and targeted in marketing energy efficiency," Shelton said.

Among the survey's other findings:

- Thirty percent of Americans who have undertaken improvements said they haven't seen the bill reduction they'd expected. Most said this was because their utility rates had gone up, but 44 percent said that they likely needed to make more improvements. In fact, the survey found that the number of improvements completed is strongly correlated with achieving the expected savings. The tipping point? About five improvements.

"This isn't an easy process. Doing one or even two things isn't going to get consumers the savings they expect," Shelton said. "Making homes energy efficient is a multi-step process."

- There is significant interest in time-of-use billing plans, smart meters and online energy information management systems. Over half of respondents, if given access to more information about their energy use, said they would utilize it regularly to try to shift or reduce their consumption. That includes 61% who are interested in receiving a smart meter that would notify the utility if they lose power and offer more information about when they were using electricity.

"When it comes to meeting customer needs, many utilities fear the vocal minority," Shelton said. "They're concerned about resistance to smart meters and slow to roll out time-of-use billing. As a result, utilities are missing out on a huge opportunity to help people take control of their energy use by giving them the information they need and the choices they want."

- Asked what specifically they've done to save energy, the largest percentage of Americans had replaced most incandescent bulbs with CFLs (63% of homeowners and 61% of renters), added sealing/caulking/weather-stripping (55% of homeowners and 29% of renters), purchased ENERGY STAR® appliances (49% of homeowners and 38% of renters) or added insulation (36% of homeowners and 27% of renters).

About Shelton Group
Shelton Group is an advertising and research agency located in Knoxville, Tennessee, focused exclusively on motivating mainstream consumers to make sustainable choices. The agency conducts a multitude of proprietary consumer opinion studies annually, including Eco Pulse™, Energy Pulse™, Utility Pulse™ and Green Living Pulse™.

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