

Creative Ways to Gouge the Poor

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“During the summer, we keep the windows open and the fans going, because I can’t afford both air conditioning and quality childcare. I’m not willing to send my daughter somewhere I don’t trust, so we have to sweat it out,” Sharon explains. While the heat and humidity of a Washington, DC summer are over for now, winter promises even more serious problems.

“In winter, it’s been a little tougher,” Sharon admits. “We have to keep the heat on, but we keep it low to save as much money as we can. We wear coats and hats in the house, but some nights it’s really hard for my daughter to concentrate on her school work.” Sharon’s daughter is beating the odds—a high performing student from a single-parent household—but expensive power is not making it easy.

As the pastor of a church in the Washington, DC area, I know hundreds of stories like Sharon’s: working class blacks, Latinos, Asians and whites who are struggling to make ends meet in the face of astronomical energy costs. While these challenges affect everyone, many policy makers fail to recognize that people like Sharon, and those even worse off than she, pay a much higher price.

While home energy costs average just 4% of monthly income for middle class families, according to the National Low Income Energy Consortium, low income families can spend up to a staggering 70% of their monthly income on energy during the winter months! A lobbyist with a condo in Georgetown might have a heating bill higher than Sharon’s this winter, but Sharon will spend a much larger portion of her paycheck to keep her modest townhouse above freezing. Add the rising cost of gas, and Sharon’s daughter may not make it to church dance practice during the week.

Unfortunately, the Obama administration seems determined to gouge the poor on energy three different ways: high energy costs, disappearing energy-related jobs, and recently reduced aid. These are part of a de-facto “regressive” tax, which my readers will remember is a fee or penalty that disproportionately affects those we preachers call the lost, the least, and the last—the poorest of the poor.

The administration’s repeated refusal to explore domestic sources of energy forces our continued dependence on expensive and unstable foreign sources while sacrificing millions of potential jobs. Furthermore, its obsession with unproven and unreliable so-called “green” energy has been a spectacular failure at creating jobs, despite unrelenting hype. In 2008, then-candidate Obama promised green power would create no less than 5 million new jobs. Just this month, however, solar panel manufacturer Solyndra—a poster child for green job creation—abruptly declared bankruptcy. Despite being awarded over \$535 million in federal loan guarantees in April 2009, it has now sent its 1,100 workers back to the unemployment lines.

Unfortunately, Solyndra’s failure is hardly unique. Aaron Glance, writing in the August 18, 2011 edition of the New York Times admitted bluntly, “Federal and state efforts to stimulate creation of green jobs have largely failed.”

To add insult to injury, the EPA’s war on coal promises to destroy the few jobs the poor have left. As

William Yeatman wrote recently in the New York Post, new EPA regulations are putting more than 15,000 miners out of work in Appalachia. Meanwhile, GE Energy just shelved a project to build a \$100 million research facility to study coal gasification, and American Electrical Power scrapped plans for a commercial scale carbon capture and sequestration (which captures carbon emissions from coal plants). Both companies cited lack of a clear energy policy from the administration, which many read as well-founded fear of the tidal wave of new EPA regulations coming out of Washington.

Finally, as if to ensure poor Americans are cold this winter, President Obama's 2012 proposed budget recommended slashing LIHEAP, the federal program that subsidizes energy costs for low income households, by over 50%. LIHEAP was supposed to make energy affordable the poor, but like every other handout program it has proven unsustainable. Like offering a kid a lollipop after a painful dental session, the LIHEAP may bring temporary relief but does nothing to fix the underlying problem. Until we put Americans to work extracting reliable fuel from American sources, power costs will only get worse.

All Americans feel the pinch of higher energy prices, but low income Americans may be facing a winter where they have to choose between heat and food. This unnecessary suffering is the direct result of the irresponsible energy policies of the Obama administration. I have said it before and I'll say it again: we MUST stop this administration's war on the poor.

For more information please stop by the website of the Affordable Power Alliance – www.affordablepoweralliance.org.