Key Findings

Real estate growth over the next 25 years
- By 2031, 39.3 million new homes and 20 billion square feet of commercial space will be built. At current rates of energy use, this new construction will use an additional 4 quadrillion BTU of energy annually—the equivalent of 700 million barrels of oil, or 4 billion cubic feet of natural gas. The supply from a combination of those sources would result in a $40 billion annual cost by 2031. Total expenditures over the next 25 years for the energy needs of these new buildings will equal $500 billion.
- The residential and commercial building sector accounts for 40% of total annual U.S. energy consumption—more than any other sector, including transportation. The potential impact of a move to reduce our reliance on high-cost oil and gas supplies, largely from overseas, would be dramatic. A 10% reduction in energy demand for these new buildings would save $50 billion over the next 25 years.

Total consumer spending on energy has increased substantially in recent years
- In 2005, consumer spending on energy was $502 billion. This was the first year consumer spending on energy surpassed half a trillion dollars and represents an 18% increase over 2004.
- In 2006, consumer spending on energy is a projected $551 billion, a 9.7% increase over 2005.
- In 2007, consumer spending on energy is projected to be $556 billion.

Increases in average household energy spending
- In 2004, the average household spent $3,812 on energy; in 2005, $4,443; in 2006, $4,819; and in 2007, the average household is projected to spend $4,813 on energy costs.
- In 2006 and 2007, households are spending roughly $1,000 more on energy each year than they spent on energy in 2004.

Increased consumer spending on energy has eaten into recent wage gains
- In 2005, the average wage increased 3.5% from 2004 to $42,444. However, when adjusted for increased energy expenses, the wage increase in 2005 was only 2.1%, a difference of 1.4 percentage points.
- In 2006, wages increased 5.1%, but increased energy expenses shaved off .4 percentage points for an adjusted wage gain of 4.7%.
- In 2007, there will be some relief. Wages are expected to increase by 3.5%, but a slight decrease in energy prices will result in an adjusted wage increase of 3.9%.

Energy spending as a portion of total consumer expenditures
- In 2005, money spent on energy accounted for an average of 5.7% of our total consumer expenditures, up from 5.2% in 2004.
- In 2006, money spent on energy accounted for an average of 5.9% of our total consumer expenditures—leaving Americans with decreased spending power, despite a growing economy.

The price of crude oil and the cost of gasoline
- From 2001-2005, the average price of crude oil increased 13.3% annually, and rose 17% in 2006.
- The price of gasoline increased 13% in 2006.
- The report projects that the price of gasoline will fall from an average of about $2.64 in 2006 to about $2.50 in 2007. Through 2010, gasoline prices will remain in the $2.50 per gallon range, and consumers will continue to spend over 50% of their energy budgets on transportation fuel. By 2010, Americans will be devoting 55% of their energy budgets or 2.9% of their total spending on gasoline and motor oil, compared to 52% or 2.6% in 2000.

Other energy findings
- A warm winter decreased natural gas prices, and on average households heating primarily with natural gas are expected to spend about 13% less this winter than the previous one.
- Energy prices increased 11.2% on average for U.S. cities in 2006.